

# HALF YEAR REPORT

## 31 December 2008

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

### SHARE INFORMATION

ASX Share Price: *A\$0.125*  
Issued Shares: *590.9m*  
Market Cap: *A\$73.9m*  
Unlisted options  
and convertible  
notes: *32.9m*

### FULLY DILUTED BASIS

Shares: *623.8m*

### CONTACT DETAILS

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ABN 49 087 360 996

13 March 2009

By Electronic Lodgement

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

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### HIGHLIGHTS FOR THE HALF YEAR ENDED 31 DECEMBER 2008

- On 23 February 2009, the Company announced the signing of a Memorandum of Understanding with subsidiaries of Barrick Gold Corporation in relation to the purchase by Barrick Gold Corporation of Crescent's Laverton gold ore and its proposed batch treatment through Barrick's Granny Smith mill.
- The cash position at the end of December 2008 was \$25.2 million, with no debt.
- On 7 July 2008, the Board announced the temporary suspension of mining and milling operations at the Company's Laverton Gold Project in Western Australia to remedy on-going design and operational inefficiencies of the plant. A development team was appointed to review the Laverton Gold Project and recommendations given to management for the most efficient utilisation of this asset. This led to the signing of the Memorandum of Understanding mentioned above and a flexible mining schedule over a number of pits.
- The Company closed out all of its forward gold sales, gold puts and gold call contracts on 22 July 2008 for a net gain of \$850,000.
- On 29 August 2008, an agreement was signed with Minepower, the Company's mining contractor at Laverton, in relation to the early termination of the mining agreement associated with the temporary suspension of the Laverton operations. This agreement covered all claims and liabilities of Minepower against the Company, whereby Crescent paid Minepower \$4.2 million in termination payments.
- On 19 September 2008, the Company announced that it has agreed to provide a \$4 million working capital finance facility to South Australian-based mineral sands miner, Australian Zircon NL. Further, the Company advised that Australian Zircon and Crescent Gold had also agreed to enter into negotiations and due diligence processes regarding possible corporate opportunities involving the two companies, including a potential merger.
- On 12 November 2008, the Company advised that earn-in periods for South Australian and Northern Territory Uranium Project Joint Ventures had been extended.
- On 2 December 2008, it was announced that mineral sands producer, Australian Zircon, had agreed to extend the term of the Crescent Working Capital Facility and provide Crescent with the option to convert Crescent's \$4 million loan to Australian Zircon into ordinary shares in Australian Zircon at 4c per share. (This was approved by shareholder vote at the AZC General Meeting held 29 January 2009).

## ANNOUNCEMENT

### ASX Appendix 4D “Half Year” Report and Interim Director’s Report and Financial Report

**For the Half Year ended 31 December 2008**

The ASX appendix 4D “Half Year” Report is provided to the ASX in accordance with Listing Rule 4.2A for announcement to the market.

Current Reporting Period: 31 December 2008  
Previous Reporting Period: 31 December 2007

The Financial Report has been subject to audit review and is not subject to dispute or qualification. The auditors review report is included herein.

The interim financial report has been prepared in accordance with Australian Equivalents to International Financial Accounting Standards (“AIFRS”).

The interim Financial Report does not include all the notes of the type normally included in an annual financial report.

In addition, reference should be made to any public announcements made by Crescent Gold Limited during the interim reporting period in accordance with the continuous disclosure requirements and the Corporation Act 2001.

This report has been prepared by Mark Tory, a Chartered Accountant, who is Chief Financial Officer & Company Secretary of Crescent Gold Limited.

Mr Tory holds a Masters of Business Administration and Bachelor of Business Degree and is a qualified and experienced person for the purpose of preparing this Report.

The information in this report that relates to gold Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neal Leggo, who is a Member of the Australian Institute of Geoscientists. Neal Leggo 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” and a Qualified Person under “Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects”. Neal Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Neal Leggo is employed by Crescent Gold Limited.

The information in this report that relates to Exploration Results at the Sturt Uranium Project, is based on information compiled by Mr Tony Mason, who is a Member of the Australasian Institute of Mining and Metallurgy and registered in the field of uranium reporting and resource estimation. Tony Mason 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” and a Qualified Person under “Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects”. Tony Mason consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Tony Mason is an independent consultant.

## APPENDIX 4D

### HALF YEAR REPORT

#### CRESCENT GOLD LIMITED AND CONTROLLED ENTITIES ABN: 49 087 360 996

**Reporting period: 31 December 2008**

Previous reporting period: 31 December 2007

#### Results for announcement to the market

<b>Financial Results</b>		<b>Half Year 31 December 2008 \$'000</b>	<b>Half Year 31 December 2007 \$'000</b>
Revenue from continuing operations*		-	-
Loss from ordinary activities after tax attributable to members	Down 189% to	(25,606)	(8,859)
Loss for the period attributable to members	Down 189% to	(25,606)	(8,859)

<b>Dividends</b>		<b>Amount per security</b>	<b>Franked amount per security</b>
Interim dividend (cents)		Nil	Nil
Final dividend (cents)		Nil	Nil

<b>Net tangible assets per security</b>		<b>31 December 2008 \$'000</b>	<b>31 December 2007 \$'000</b>
Net tangible asset backing per ordinary security		8.59c	19.33c

\* The Company currently capitalises revenue in the pre-production phase. Full disclosure of the Company's Accounting Policies is made in the notes to the 30 June 2008 Annual Financial Report.



**crescent**  
gold limited

**ABN 49 087 360 996**

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2008**

**Financial report for the  
half-year ended 31 December 2008**

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## **Directors' Report**

The directors of Crescent Gold Limited submit herewith the financial report for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001 the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

### **Name**

Mr R Hill	Mr F Cavallini (resigned 4 December 2008)
Mr D Keough	Mr M Belvisi (resigned 2 July 2008)
Mr G Stanley	Mr R Barbieri (resigned 2 July 2008)
Mr J Esteban	
Mr S Grenfell (appointed 6 July 2008)	
Mr T Backhouse (appointed 22 January 2009)	

### **Review of operations**

A review of operations including the results of operations is included in a separate report to follow the directors' report entitled Management Discussion and Analysis which also conforms to the Company's requirements for its TSX Listing.

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 3 of the half-year financial report.

### **Rounding off of amounts**

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors:



**Roland Hill**  
**Chairman**  
**Perth, Western Australia**  
**13 March 2009**

The Board of Directors  
Crescent Gold Limited  
Level 2, 40-48 Subiaco Square  
SUBIACO WA 6008

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13 March 2009

Dear Board Members

### Crescent Gold Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Crescent Gold Limited.

As lead audit partner for the review of the financial statements of Crescent Gold Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU



**Leanne Karamfiles**  
Partner  
Chartered Accountants

## Independent Auditor's Review Report to the members of Crescent Gold Limited

We have reviewed the accompanying half-year financial report of Crescent Gold Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of recognised income and expense for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Crescent Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Crescent Gold Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



**Leanne Karamfiles**  
Partner  
Chartered Accountants  
Perth, 13 March 2009

## MANAGEMENT DISCUSSION & ANALYSIS

### DATE OF REPORT – 13 MARCH 2009

This discussion and analysis of the results of operations should be read in conjunction with the audited financial statements and accompanying notes for the Company's year ended 30 June 2008 and Crescent's unaudited interim financial statements (ASX Quarterly Report) for the three month period 30 September 2008 and 31 December 2008 half-year report lodged with the ASX/TSX. This discussion and analysis as of 13 March 2009 provides information on the operations of Crescent for the six months ended 31 December 2008.

The Company's reporting currency is in Australian dollars, unless otherwise stated.

Additional information related to the Company is available for review at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.crescentgold.com](http://www.crescentgold.com)

### OVERVIEW

The Company's primary asset is the Laverton Gold Project located 250km northeast of Kalgoorlie in Western Australia. The mining and milling operations at the Laverton Project were temporarily suspended on 7 July 2008.

The suspension has allowed Crescent to step back and reassess the operational, processing and development options that are available to the Company. This assessment focused on efforts to maximise the project economics.

On 23 February 2009, the Company announced the signing of a Memorandum of Understanding with subsidiaries of Barrick Gold Corporation in relation to the purchase by Barrick of Crescent's Laverton gold ore and the proposed batch treatment through Barrick's Granny Smith mill.

The Company intends to mine ore from a number of its pits to provide mining flexibility and ensure delivery of ore to Barrick for processing.

### DEVELOPMENT

#### 1. DEVELOPMENT DRILLING

Stage 1 Reverse Circulation development drilling was completed at the main deposits within the Laverton project area, namely West Laverton, Euro, Craiggie more North, Mary Mac South, Craiggie more, Castaway and Admiral Hill. All geological logging and sample assays have been completed.

Diamond Drillhole development drilling was completed at the Euro, Craiggie more, Castaway, and Admiral Hill deposits. Geological logging and sampling for assay and metallurgical test work was completed.

#### 2. GEOLOGICAL DUE DILIGENCE

Geological due diligence assessments were carried out on the Sickie, Fish and Lord Byron deposits, the latter two being part of the Laverton-Jasper Hills project, 95 kilometres southeast of the Laverton project. Geological due diligence assessments have been completed on the West Laverton, Admiral Hill and Castaway deposits.

Geological reinterpretation and resource estimation of the Sickie and Euro deposits was completed. Geological reinterpretations and resource estimations of the West Laverton, Fish, Admiral Hill and Castaway deposits are continuing.

The Line of Lode assessment was completed for the Jasper Hills Project being the Fish and Lord Byron deposits. The Line of Lode assessment of the Euro/Craiggie more area is continuing.

A significant amount of historical drillhole data was captured from analogue reports and uploaded to the drillhole database.

## LAVERTON GOLD PROJECT - EXPLORATION

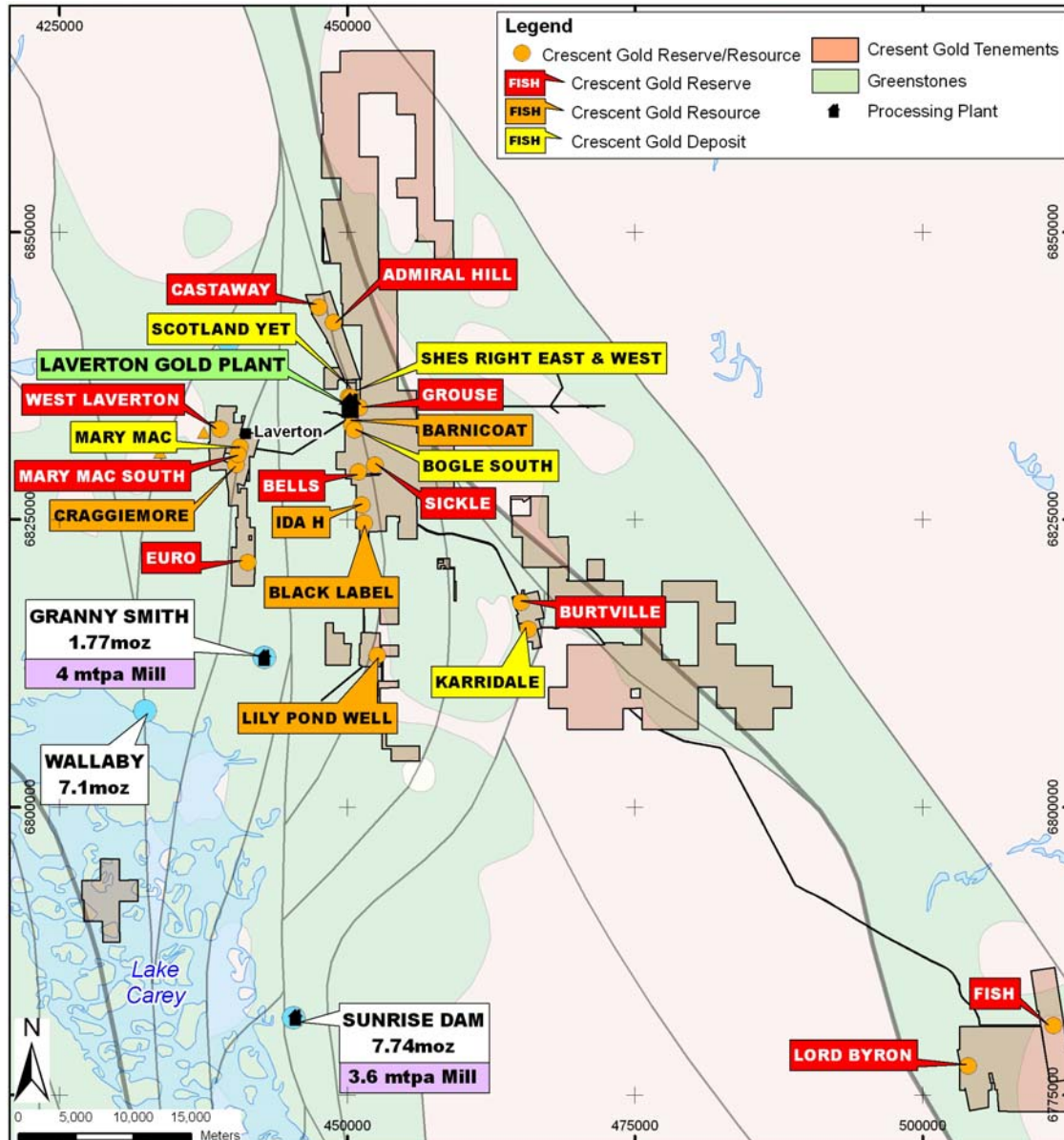
### 3. PERMITTING AND APPROVALS

- Clearing permits for the Craiggimore and Grouse deposits have been approved.
- Mining proposal for the Euro deposit was approved.
- Mining proposals for the West Laverton and Grouse deposits were submitted.

### 4. METALLURGICAL TEST WORK

Metallurgical test work (cyanide amenability) was completed on the Sickle, Euro and West Laverton deposits. Metallurgical test work (cyanide amenability) is underway on the Admiral Hill, West Laverton and Fish deposits.

Crescent continues to explore its highly prospective tenement package covering more than 1,000km<sup>2</sup> within the Laverton Greenstone Belt of Western Australia.



### Mineral Resource & Ore Reserve Statement

The Ore Reserves and Mineral Resources remain constant since the previous quarter. The global Ore Reserves for the Laverton Gold Project (LGP) are 3.1 million tonnes (Mt) @ 1.9 g/t Au for 190,000oz contained gold in 10 deposits. The global Mineral Resources are 24 Mt @ 1.4 g/t Au for 1.1 million oz contained gold in 16 deposits. The mineral statement was estimated using AUD\$850/oz. Resources are inclusive of the Ore Reserve (not additional to the Reserves). These Reserves and Resources have been classified according to the JORC Code (2004) as summarised in Table 1. Classifications for each deposit are provided in Tables 2 and 3.

**Table 1 - LGP Reserves and Resources**

JORC Code Category	Tonnes x 1,000	Grade g/t Au	Contained Oz Au	Number Deposits
Proven Ore Reserves	70	1.6	4,000	1
Probable Ore Reserves	3,000	1.9	190,000	10
<b>Combined Ore Reserves</b>	<b>3,100</b>	<b>1.9</b>	<b>190,000</b>	<b>10</b>
Measured Mineral Resources	210	1.7	12,000	2
Indicated Mineral Resources	15,000	1.4	670,000	13
Inferred Mineral Resources	8,900	1.4	410,000	15
<b>Combined Mineral Resources</b>	<b>24,000</b>	<b>1.4</b>	<b>1,100</b>	<b>16</b>

**Table 2 - Ore Reserves**

Deposit	Proven		Probable		All Ounces x 1000
	Tonnes Kt	Au Grade g/t	Tonnes Kt	Au Grade g/t	
Admiral Hill	-	-	435	1.42	20
Bells	-	-	35	2.95	3
Burtville	-	-	-	-	-
Castaway	-	-	133	2.40	10
Euro	-	-	373	1.73	21
Fish	-	-	382	4.17	51
Grouse	-	-	83	2.00	5
Lord Byron	-	-	223	2.05	15
Mary Mac South	-	-	108	1.89	7
Sickle	70	1.59	149	2.39	15
West Laverton	-	-	408	1.92	25
<b>Sub-Total Deposits</b>	<b>70</b>	<b>1.588</b>	<b>2,329</b>	<b>2.251</b>	<b>172</b>
Stockpiles	-	-	702	0.9	20
<b>TOTAL (including Stockpiles)</b>	<b>70</b>	<b>1.588</b>	<b>3,032</b>	<b>1.938</b>	<b>192</b>
<b>TOTAL (Proven + Probable)</b>	<b>3,102</b>	<b>1.93</b>			

**Table 3 - Mineral Resources**

Deposit	Measured		Indicated		Inferred		All Ounces x 1000
	Tonnes Kt	Au Grade g/t	Tonnes Kt	Au Grade g/t	Tonnes Kt	Au Grade g/t	
Admiral Hill	-	-	4,667	0.8	1,710	1.4	197
Barnicoat	-	-	340	1.3	250	1.0	22
Bells	-	-	594	2.0	36	1.4	40
Black Label	-	-	-	-	610	1.0	20
Burtville	-	-	700	1.5	-	-	35
Castaway	-	-	338	2.1	37	1.7	25
Craiggimore	88	1.70	1,419	1.6	112	1.4	82
Euro	-	-	646	1.7	53	1.5	38
Fish	-	-	500	4.2	160	3.7	87
Grouse	-	-	520	1.7	27	1.3	30
Ida H	-	-	-	-	627	1.4	28
Lily Pond Well	-	-	-	-	338	1.4	15
Lord Byron	-	-	3,190	1.0	1,980	0.9	160
Mary Mac South	-	-	455	1.9	137	2.1	37
Sickle	123	1.70	792	1.9	2,382	1.8	190
West Laverton	-	-	1,007	1.9	452	1.9	87
<b>TOTAL</b>	<b>211</b>	<b>1.70</b>	<b>15,168</b>	<b>1.4</b>	<b>8,910</b>	<b>1.4</b>	<b>1,092</b>
<b>TOTAL (Meas + Indic + Infer)</b>			<b>24,078</b>	<b>1.40</b>			

Notes for Tables:

- Mineral Resources are inclusive of Ore Reserves.
- Figures have been rounded to 2 significant figures.
- Abbreviations used: Au = gold, g/t = grams per tonne, Oz = Troy ounces.
- Ore Reserves include stockpiles totalling 700,000 tonnes at 0.9 g/t Au
- A gold price of AUD\$850 was used for estimating Reserves.

Deposits with Ore Reserves are Admiral Hill, Bells, Castaway, Euro, Fish, Grouse, Lord Byron, Mary Mac South, Sickle and West Laverton. Deposits with Mineral Resources are the above 10 plus Barnicoat, Black Label, Burtville, Craiggimore, Ida H and Lily Pond Well.

## Laverton Regional Exploration Activities

Funding and technical resources have been re-directed from exploration activities in order to complete deposit evaluation work described in the previous section.

A strategic review of Laverton exploration tenements was conducted to reduce Crescent's tenement holding by divesting ground that has been effectively explored or is considered low prospectivity. This will reduce holding costs and exploration costs, allowing focus on the Company's primary opportunities.

Business development opportunities continue to be evaluated by the exploration team.

*The information in this report that relates to **gold** Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neal Leggo, who is a Member of the Australian Institute of Geoscientists. Neal Leggo 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" and a Qualified Person under "Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects". Neal Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Neal Leggo is employed by Crescent Gold Limited.*

## URANIUM EXPLORATION

Crescent is evaluating several uranium projects in South Australia and the Northern Territory. All tenements, joint ventures and exploration activities are conducted under Uranium West Limited, a 100% subsidiary of Crescent Gold Limited.

In South Australia, the Company is investigating both roll-front style uranium deposits and iron ore copper gold uranium (IOCGU) targets. In the Northern Territory, exploration is targeting high-grade unconformity uranium deposits, roll-front uranium deposits and palaeo-channel deposits.

### Exploration - South Australia

#### Sturt Joint Venture - Uranium

Crescent is reviewing a potentially significant new uranium province in Central Australia. The Sturt Joint Venture project area, which covers the shallow sediments of the Lake Eyre Basin, has a range of geological features which make it a very attractive exploration play. The exploration concept for the region is new and there has been no previous uranium exploration in the area, yet historic petroleum wells give strong indications for uranium mineralisation.

Crescent is earning a 50% interest of the Sturt project from TC Development Corporation Pty Ltd for the expenditure of \$16m over four years. The project comprises 29 exploration licences covering 27,887 km<sup>2</sup> in South Australia, plus applications covering 9,941 km<sup>2</sup> in South Australia and 4,880 km<sup>2</sup> in Queensland.

On the 17<sup>th</sup> November the Sturt JV completed an extensive shallow rotary mud drilling programme that commenced in the September Quarter; a total of 7,519 meters in 63 holes were drilled, gamma logged and sampled in the Big Lake, Daralingie and Moorari Prospects. The drilling continued to be successful in replicating and verifying the high gamma responses recorded in historic petroleum logs in the Daralingie and Big Lake Prospects. The drilling continued to be very useful in determining the nature and characteristics of drill-hole intersections exhibiting anomalous gamma responses and significant U values. The analytical results of 3,801 1m composite samples submitted for assay were returned during the quarter. A total of 27 samples returned U assays greater than 20ppm U with the highest assay returning 254ppm U.

The technical findings of the first stage exploration drilling programme and the consistency of these findings with the exploration model are considered very encouraging. The ongoing detailed assessment of the 2008 programme results will provide a strong basis for the development of a successful 2009 exploration programme.

#### Spencer Project

Crescent is exploring EL 3922 (Webling Bay) in South Australia, in joint venture, for IOCGU opportunities. Re-logging of diamond holes drilled by previous explorers was conducted during the quarter.

### **Gawler Craton Joint Venture**

Crescent is farming in to four IOCGU tenements; current JV equity is 25%. No data acquisition activities were undertaken during the quarter. Deeds extending the time of the earn-in phase of the joint venture have been signed reducing exploration expenditure commitments over calendar 2009. At the Jindivik Prospect, Southern Uranium is evaluating the technical merits of the deep geophysical target while monitoring access issues applying to the Woomera Prohibited Area.

### **Exploration - Northern Territory**

#### **Rum Jungle Uranium Joint Venture**

Rum Jungle Uranium Ltd (RJU) is farming in to four NT tenements and are project operators. The joint venture allows RJU to spend \$1.1 million on exploration within the tenements to earn a 75% interest in all four tenements. A report on exploration activities is provided in the September quarterly report of Rum Jungle Uranium Proprietary Ltd.

#### **Southern Uranium Joint Venture**

Southern Uranium is sole funding an exploration spend of \$600,000 to earn a 50% interest in each of two Crescent tenements (Calvert Hills EL24837 and Rum Jungle EL24867). A report on exploration activities is provided in the September quarterly report of Southern Uranium Ltd. A deed extending the time of the earn-in phase of the joint venture has been signed, reducing exploration expenditure commitments over the coming year.

*The information in this report that relates to Exploration Results at the Sturt Uranium Project, is based on information compiled by Mr Tony Mason, who is a Member of the Australasian Institute of Mining and Metallurgy and registered in the field of uranium reporting and resource estimation. Tony Mason 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" and a Qualified Person under "Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects". Tony Mason consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Tony Mason is an independent consultant.*

## **REPORTING REQUIREMENTS**

As of 30 June 2008 Crescent Gold evaluated its standing as a Designated Foreign Issuer as is defined by National Instrument 71-102 and determined that the Company continues to be classified as a Designated Foreign Issuer at the time of filing of this report. This evaluation was performed by the Managing Director and the Chief Financial Officer with the assistance of other Company personnel to the extent necessary and appropriate.

On 18 October 2006 the Company announced the completion of a financing arrangement where 17 million shares of the Company were issued to a Canadian entity. The effect of this transaction was to take the Company past the 10% threshold for a Designated Foreign Issuer pursuant to National Instrument 71-102.

On 18 June 2007 the Company announced the completion of a placement where 321,710,526 shares of the Company were issued to Deutsche Bank AG at a price of \$0.38 thus increasing the total number of outstanding ordinary shares to 580,891,238.

Upon completion of the Deutsche Bank placement the Company re-evaluated its Canadian shareholder base to determine whether the Company continued to exceed the 10% threshold for a Designated Foreign Issuer. This re-evaluation resulted in Crescent being re-classified as a Designated Foreign Issuer pursuant to National Instrument 71-102.

Crescent continues to review its reporting requirements as a Designated Foreign Issuer and as required in NI 71-102, the Company continues to disclose and report its financial statements in accordance with the Corporations Act 2001, Australian Corporations Regulations 2001 and Accounting Standards AASB 134 "Interim Financial Reporting" and will do so for the remaining financial year.

A detailed description of the Company's accounting policies is disclosed in the Significant Accounting Policies note of the Company's Annual Financial Report for the year ended 30 June 2008.

## **CHANGES IN ACCOUNTING POLICIES**

Full disclosure of the Company's Significant Accounting Policies is made in note 3 of the 30 June 2008 Annual Financial Report.

Exploration and evaluation expenditure, which comprises net direct costs specific to a particular area of interest, has previously been capitalised where specific conditions are met. Effective 30 June 2008 the Board has decided to change the accounting policy to expense all exploration and evaluation expenditure as incurred in order to provide more reliable and relevant financial information. The change in accounting policy results in improved matching of costs with revenue. Comparative information has been adjusted in this report to reflect this change in accounting policy.

## **DERIVATIVE INSTRUMENTS**

The Company's Sold Gold forwards, Bought Call options and Bought Put options were settled in July 2008. The Bought Diesel Fuel Caps expired in December 2008.

## **TRANSACTIONS WITH RELATED PARTIES**

During the period, a company associated with Non-Executive Director, Mr David Keough, was engaged to provide consulting technical services to Crescent on an ad-hoc part-time basis at \$1,000 per day.

## PAYMENTS TO DIRECTORS

Executive Directors of the Company combined received payments totalling \$132,000 and Non-Executive Directors combined received \$91,000 for the six months ended 31 December 2008.

The Company is now served by a Board of Non-Independent and Independent Directors, to which the Managing Director and Chief Financial Officer report.

- Roland Hill – Managing Director and Acting Chairman
- Mark Tory – Chief Financial Officer & Company Secretary
- David Keough – Non Executive Director
- Geoff Stanley – Non Executive Director
- Jose Garcia Esteban – Non Executive (Nominee) Director
- Simon Grenfell – Non Executive (Nominee) Director
- Franco Cavallini – Non Executive (Nominee) Director (resigned 4 December 2008)
- Theodore Backhouse – Non Executive (Nominee) Director (appointed 22 January 2009)
- Martin Belvisi – Non Executive (Nominee) Director (resigned 2 July 2008)
- Renatto Barbieri – Non Executive (Nominee) Director (resigned 2 July 2008)

## SUMMARY OF RESULTS

The table below sets out the interim and final financial results for the past three years:

	<u>6 months</u> <u>2008</u> <u>31 Dec</u> \$A '000	<u>12 months</u> <u>2008</u> <u>30 Jun</u> \$A '000	<u>6 months</u> <u>2007</u> <u>31 Dec</u> \$A '000	<u>12 months</u> <u>2007</u> <u>30 Jun</u> \$A '000	<u>6 months</u> <u>2006</u> <u>31 Dec</u> \$A '000	<u>12 months</u> <u>2006</u> <u>30 Jun</u> \$A '000
Revenue*	8,092	13,830	9,991	8,066	365	453
Net Loss	(25,606)	(55,536)	(8,859)	(6,182)	(10,405)	(4,289)
Assets	73,260	112,003	173,933	181,563	56,763	33,656
Liabilities	11,598	24,928	49,663	42,454	34,157	11,597
Equity	61,662	87,075	124,270	139,109	22,606	22,059
Net Loss per Share (cents)	(4.33)	(9.46)	(1.52)	(2.44)	(4.50)	(2.54)

\* Revenue disclosed in the table above relates to gross receipts from the sale of goods and interest revenue receivable. The Company currently capitalises revenue until production has reached a commercial level.

## LIQUIDITY & CAPITAL RESOURCES

The Company's cash on hand and funds on deposit as at 31 December 2008 was \$25,220,000 (30 June 2008: \$49,626,000). The decrease in cash on hand is due to the repayment of borrowings, purchases of derivative instruments in the period and the high production costs incurred at the Laverton Project since the commencement of mining operations. \$4,000,000 was loaned to Australian Zircon NL, a non-related entity, during the period.

During the half year the Company used net cash of \$24,406,000 (31 December 2007: \$13,610,000) primarily for the temporary suspension of operations and for exploration and development activities.

## COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Nil

## OFF-BALANCE SHEET ARRANGEMENTS

Nil

## **SUBSEQUENT EVENTS**

On 22 January 2009, Theodore Backhouse was appointed as a Non-Executive Director of the Company.

On 23 February 2009, the Company announced that it had signed a Memorandum of Understanding with subsidiaries of Barrick Gold Corporation in relation to the purchase by Barrick Gold Corporation of Crescent's Laverton Gold ore and the proposed batch treatment through Barrick's Granny Smith mill.

## **OUTSTANDING SHARE DATA**

As at 13 March 2009, the Company had 590,871,950 paid ordinary shares issued and outstanding. The following table sets out the fully paid ordinary shares issuable under the Employee Share Option Scheme and other Options:

<b>As at 13 March 2009</b>	<b>Number</b>
Shares on Issue	590,871,950
Options issued but not exercised	<u>32,900,000</u>
	623,771,950

## **FORWARD LOOKING STATEMENT**

This discussion and analysis contains certain forward-looking statements. These include statements about our expectations, beliefs, intentions or strategies for the future, and are indicated by words such as "budget", "anticipate", "intent", "believe", "estimate", "forecast", "expect", and similar words. While all forward-looking statements reflect our current views with respect to future events, they are subject to certain risks and uncertainties. Actual results may differ materially from those projected in these statements for a number of factors, including those which are described in the Corporation's periodic filings with securities regulatory authorities. We base our forward-looking statements on information currently available to us and we do not assume any obligation to update or revise them, except in accordance with applicable securities laws, readers should not place undue reliance on forward-looking statements.

## **Directors' declaration for the half-year ended 31 December 2008**

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



**Roland Hill**  
**Chairman**  
**13 March 2009**  
**Perth, Western Australia**

**Condensed Consolidated Income Statement**  
**For the half-year ended 31 December 2008**

	Note	Half-Year Ended 31 December 2008 \$'000	Half-Year Ended 31 December 2007 \$'000
Other income		2,026	3,452
Mine suspension and termination costs	3	(8,304)	-
Depreciation and amortisation expense		(193)	(190)
Exploration and evaluation		(6,077)	(4,489)
Share-based payments		(148)	(27)
Finance costs		(617)	(1,162)
Directors fees		(51)	(271)
Change in fair value of financial assets and liabilities held at fair value through profit or loss		(10,611)	(7,306)
Loss on close out of put options	2	-	(139)
Consultancy expense		(314)	(294)
Legal and accounting expense		(135)	(271)
Employee benefits expense		(219)	(409)
Other expenses		(963)	(1,355)
		(27,632)	(15,913)
<b>Loss before income tax expense</b>		<b>(25,606)</b>	<b>(12,461)</b>
Income tax benefit		-	3,588
<b>Loss for the period from continuing operations</b>		<b>(25,606)</b>	<b>(8,873)</b>
<b>Loss for the period</b>		<b>(25,606)</b>	<b>(8,873)</b>
Net loss attributable to minority interest		-	14
<b>Net loss attributable to members of the parent entity</b>		<b>(25,606)</b>	<b>(8,859)</b>
<b>Loss per Share</b>			
<b>Basic (cents per share)</b>		<b>(4.33)</b>	<b>(1.52)</b>
<b>Diluted (cents per share)</b>		<b>(4.33)</b>	<b>(1.52)</b>

*The above condensed consolidated income statement should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Balance Sheet**  
**As at 31 December 2008**

	<b>31 December 2008 \$'000</b>	<b>30 June 2008 \$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	25,220	49,626
Trade and other receivables	93	3,133
Other financial assets	-	8,781
Inventories	7,987	11,766
Current tax assets	98	98
Other	226	91
<b>Total current assets</b>	<b>33,624</b>	<b>73,495</b>
<b>Non-current assets</b>		
Other financial assets	4,000	2,679
Property, plant and equipment	24,742	24,935
Deferred tax assets	10,894	10,894
<b>Total non-current assets</b>	<b>39,636</b>	<b>38,508</b>
<b>Total assets</b>	<b>73,260</b>	<b>112,003</b>
<b>Current liabilities</b>		
Trade and other payables	1,116	14,521
Borrowings	5,166	4,983
Provisions	173	239
<b>Total current liabilities</b>	<b>6,455</b>	<b>19,743</b>
<b>Non-current liabilities</b>		
Borrowings	-	209
Provisions	5,143	4,976
<b>Total non-current liabilities</b>	<b>5,143</b>	<b>5,185</b>
<b>Total liabilities</b>	<b>11,598</b>	<b>24,928</b>
<b>Net assets</b>	<b>61,662</b>	<b>87,075</b>
<b>Equity</b>		
Issued capital	185,163	185,119
Reserves	3,147	2,999
Accumulated losses	(126,648)	(101,043)
<b>Total equity</b>	<b>61,662</b>	<b>87,075</b>

*The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes*

**Condensed Consolidated Statement of Recognised Income and Expense**  
**For the half-year ended 31 December 2008**

	<b>Half-Year ended December 2008 \$'000</b>	<b>Half-Year ended December 2007 \$'000</b>
<b>Net loss recognised directly in equity:</b>		
Loss for the period	(25,606)	(8,873)
<b>Total recognised income and expense for the period</b>	<b>(25,606)</b>	<b>(8,873)</b>
<b>Attributable to:</b>		
Equity holders of the parent	(25,606)	(8,873)
Minority interest	-	14
	<b>(25,606)</b>	<b>(8,859)</b>

*The above condensed consolidated statement of recognised income and expense should be read in conjunction with the accompanying notes*

**Condensed Consolidated Cash Flow Statement**  
**For the half-year ended 31 December 2008**

	<b>Half-Year Ended 31 December 2008 \$'000</b>	<b>Half-Year Ended 31 December 2007 \$'000</b>
<b>Cash flows from operating activities</b>		
Sale of gold	6,066	20,239
Payments to suppliers and employees	(28,816)	(34,612)
Interest and other income received	-	2
Interest paid	(229)	(1,145)
<b>Net cash used in operating activities</b>	<b>(22,979)</b>	<b>(15,516)</b>
<b>Cash flows from investing activities</b>		
Interest received	976	3,391
Payment for property, plant and equipment	(234)	(146)
Proceeds from the sale of other financial assets	1,900	6,600
Payments for purchase of other financial assets	-	(2,996)
Loans to other entities	(4,000)	-
Purchases of gold	-	(6,678)
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,358)</b>	<b>171</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(69)	(58)
Repayment of borrowings	-	(756)
Proceeds from issue of shares	-	2,549
<b>Net cash (used in)/provided by financing activities</b>	<b>(69)</b>	<b>1,735</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(24,406)</b>	<b>(13,610)</b>
Cash and cash equivalents at the beginning of the period	49,626	121,257
<b>Cash and cash equivalents at the end of the period</b>	<b>25,220</b>	<b>107,647</b>

*The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.*

## Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2008

### 1. Significant Accounting Policies

#### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the 2008 Annual Financial Report.

#### Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the year ended 30 June 2008. Comparative information has been reclassified and repositioned where appropriate to enhance comparability with current year disclosures.

#### Voluntary change in accounting policy

Exploration and evaluation expenditure, which comprises net direct costs specific to a particular area of interest, has previously been capitalised where specific conditions are met. The Board decided at 30 June 2008 to change the accounting policy to expense all exploration and evaluation expenditure in order to provide more reliable and relevant financial information. The change in accounting policy results in improved matching of costs with revenue.

The effect of the change in accounting policy on the prior financial period is as follows:

	<b>Consolidated 31 December 2007 \$'000 (effect)</b>
<b>Balance Sheet</b>	
Decrease in exploration and evaluation asset	(30,026)
Increase in deferred taxation asset	1,324
Increase in accumulated losses	28,706
<b>Income Statement</b>	
Loss before tax	(4,413)
Income tax benefit	1,324
Loss for the year	(3,089)
<b>Loss per share</b>	
Basic (cents per share)	(0.527)
Diluted (cents per share)	(0.527)

2. The Company closed out all of its forward gold sales, gold puts and gold call contracts on 22 July 2008 and realised net cash inflow of \$850,000.
3. On 29 August 2008 an agreement was signed with Minepower, the Company's mining contractor, in relation to the early termination of the mining agreement associated with the temporary suspension of the Laverton operations. This agreement, totalling \$4.2 million, covered all claims and liabilities of Minepower against the Company.

Mine suspension costs were incurred as a direct result of management's decision to suspend operations during July 2008. The Company's accounting policy is to capitalise pre-production costs and revenue until production has reached a commercial level. However, a decision was made during the prior financial year to write down the value of non-current assets to their recoverable amount of \$24.9 million, which included fully writing down capitalised pre-production costs. As management currently remain of the view that the recoverable amount estimated at 30 June 2008 reflects their current value, no additional net pre-production costs have been capitalised during the period.

#### 4. **Segment Information**

##### **Information on geographical segments**

The Group operates in one principal geographical area – Australia.

##### **Information on business segments**

The Group operates in one business segment – namely mining production and exploration for mineral resources.

#### 5. **Equity Securities Issued**

During the half-year reporting period ended 31 December 2008, the following equity issues were made:

- On 22 July 2008 the Company issued 108,295 ordinary shares to convertible notes holders as interest paid in shares.
- On 16 September 2008 the Company issued 15,100,000 unlisted employee and Directors options under the Employee Option Plan.

#### 6. **Subsequent Events**

On 22 January 2009, Theodore Backhouse was appointed as a Non-Executive Director of the Company.

On 23 February 2009, the Company announced that it had signed a Memorandum of Understanding with subsidiaries of Barrick Gold Corporation in relation to the purchase by Barrick Gold Corporation of Crescent's Laverton Gold ore and the proposed batch treatment through Barrick's Granny Smith mill.

#### 7. **Results for the Period**

\$4,000,000 was loaned to Australian Zircon NL ("AZC"), a non-related entity, as a working capital finance facility. The advance is unsecured and subordinate to AZC's primary project debt financier. AZC will not allow any other security to be created that would rank ahead of AZC's obligations to Crescent Gold in respect of the advance.

As a fee for the advance, AZC granted to Crescent Gold on the date of the first drawdown 39 million options at 9.47c. The options will expire 5 years after the date of the grant.

Interest on the loan is calculated on the prevailing Bank Bill Swap Reference Rate.