

**News Search**

 **GO**

[Advanced Search Page](#)

**The Northern Miner**

- [Home / Daily News](#)
- [Press Release Wires](#)
- [Feature Stories](#)
- [Headlines](#)
- [Opinion/Editorial](#)
- [Companies in this Issue](#)
- [Stock Tables](#)
- [Careers](#)
- [Recent Issues](#)
- [Archives](#)

**Corporate Data**

- [Organization Search](#)
- [Property Search](#)
- [People Search](#)
- [Country Search](#)
- [Abbreviations](#)

**Investment**

- [Metals Commentary](#)
- [Investment Commentary](#)
- [Newsletter Writers](#)

**Features**

- [Technology for Business](#)

**Supplier Information**

- [Suppliers Directory](#)
- [Product Specs](#)
- [Product Catalogue](#)

**Industry Resources**

- [Events](#)
- [News and Wire Services](#)
- [Mailing Lists](#)
- [Bullboards](#)

**Commerce**

- [Classifieds](#)
- [Web Services](#)

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- [Company Links](#)
- [Supplier Links](#)
- [Junior Mining Co. Profiles](#)
- [Diamonds in Canada](#)
- [New Mining Technology](#)
- [Exploration Trends & Developments](#)
- [Industry Related Links](#)

**Tools**

- [Toolbox](#)
- [Mining Dictionary](#)



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## Crescent Gold nears production downunder

Vancouver - Three years of growing the gold resource and completion of a feasibility study sees **Crescent Gold** (CRA-T, CRE-A) ready to move its Laverton Gold project, located in Western Australia's Eastern Goldfields, into production.

Having recently secured A\$25 million in project financing commitments, the company is now proceeding with development of mining operations at Laverton. The finance offer, from Investec Bank (Australia), includes a A\$20-million project gold loan (about 27,000 ozs.) with a A\$5-million cost overrun facility, a A\$5-million cash loan to purchase gold puts and diesel cost caps, and a gold hedge facility if required.

Laverton is anticipated to produce about 90,000 ozs. of gold annually over an initial four year open-pit mine-life with total operating costs projected at US\$436 per oz. Capital expenditures of A\$15.4 million for the restart and expansion phase will see an internal rate of return of 99%, generating revenue of about A\$96 million.

Recently revised reserve estimates for Laverton give the project a 22% boost over last year's calculation. Probable reserves now stand at 6.2 million tonnes grading 1.8 grams gold per tonne, totalling about 358,000 contained ozs. Indicated resources have increased to 18.7 million tonnes at 1.5 grams gold (contained gold up 47% to 877,000 ozs.) while inferred resources are up to 11.4 million tonnes of 1.5 grams gold for 539,000 contained ozs.

Nine deposits (Sickle, Fish, Euro, Admiral Hill, Mary Mac South, Grouse, Castaway, Lord Byron and West Laverton) have been earmarked for mining at Laverton, scheduled to commence by year-end 2006. A central plant with capacity of 1.5 million tonnes per year (following the addition of a planned second ball mill in early-2007) will process the ore with conventional gravity and carbon-in-pulp technology.

Recent drilling by Crescent Gold has returned a number of higher-grade intercepts on its Laverton land package. At the Fish deposit, several reverse circulation holes cut intervals up to 7 metres grading 6.4 grams gold and 3 metres of 6.7 grams gold in the hunt for high-grade, lower-cost reserves. At Crescent Gold's Bell prospect a number of shallow one-to-several-metre intercepts returned grades ranging from 2-to-6.9 grams gold over 400 metres of strike length. Bells is interpreted as on the same structure as the past producing Ida H deposit (180,000 ozs. at an average grade of 22.8 grams gold).

Additionally, drill testing of a 6-km long copper-gold soil anomaly adjacent to the Admiral Hill deposit intersected a 3-metre interval of high-grade mineralization averaging 4.5% copper, 4.2 grams gold and 60 grams silver per tonne including a 1-metre section of 11.5% copper, 12.6 grams gold and 154 grams silver. The mineralization occurs beneath the oxide gold deposit scheduled for mining by the company.

"We are confident that when recent drilling results are accounted for, reserves will be pushed even higher by year-end -- coinciding with our production start-up," stated Crescent Gold's managing director, Andrew Haythorpe.

With 218 million shares outstanding, the company posts a \$65-million market capitalization given its recent 30¢ per share level. Listed on the TSX earlier this year, the stock has a trading range of 16¢-to-55¢.

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