
NEWS

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STUDY GIVES GREEN LIGHT TO RE-OPENING
OF CRESCENT'S LAVERTON GOLD PLANT

A Bankable Feasibility Study has given the go-ahead for the re-commencement of gold production from Crescent Gold Limited's (ASX code: CRE") Laverton mill in Western Australia.

Crescent today told the ASX that the Bankable Feasibility Study (BFS) had determined that the Laverton Gold Project was economically viable.

"The Feasibility Study has generated unexpected opportunities to increase reserves, reduce costs and improve milling performance at Laverton," Crescent Gold's Executive Director, Mr Andrew Haythorpe, said.

"These opportunities have the potential to significantly grow the value of the project and are now being vigorously pursued," Mr Haythorpe said.

The Bankable Feasibility Study (BFS) also found that the project economics would be enhanced substantially if the mill capacity was increased to 2 million tonnes per annum (mtpa).

"This study has us on target for Crescent to join Australia's gold producing ranks in 2005," Mr Haythorpe said.

"Doubling the production rate to 2mtpa is very attractive on a number of fronts. It enhances profits from the existing reserves, and will enable further resources to be converted into reserves.

"It will also allow Crescent to offer competitive and profitable milling opportunities to other emerging producers in the area.

"The re-opening of the mill is central to our aim of profitable gold production of our own ore and profitable toll treatment for others," he said.

The Laverton gold mill, 100% owned by the Company, is located 250 kilometres northeast of Kalgoorlie. It sits in the centre of Crescent's one million ounce (oz) gold resource and close to other existing and emerging gold producers.

Key results from the BFS released by Crescent Gold today included:

- Gold recovery from current mineable resources rises by more than 60% to 239,000 oz from 168,000 oz currently if mill capacity is doubled.
- Equally strong gains in operating cash flows will also result, rising to A\$31 million (2mtpa, A\$625/oz hedged) compared to A\$21 million (1mtpa, A\$625/oz hedged price)
- Margins will also be more robust, ranging between A\$145-195/oz, as unit costs per tonne would reduce. This will also allow greater gold recovery and production at comparable costs to those for the lower 1mtpa rate.
- Capital costs would climb to A\$9.2 million (2mtpa) compared to A\$5.1 million (1mtpa) – “but the returns more than outweigh the increased up-front costs,” Mr Haythorpe said.

The BFS covered the lead four of Crescent Gold’s 10 potentially viable projects in the province – Sickle, Admiral Hill, Euro and West Laverton. The others will undergo a similar study process in 2005.

The 1mtpa and 2mtpa options were considered during the BFS because of a large amount of low grade (0.5-1.0 grams per tonne gold) material observed between the main ore blocks in the Company’s preliminary pit designs for the Laverton project.

A hedge rate of A\$625, the current flat forward price for gold over the next two years, was also considered in the Study.

“The current configuration of the plant presents many opportunities to improve its historical performance in terms of both operating costs and recovery rates,” Mr Haythorpe said.

“Significantly, the BFS estimates are expected to improve through further drilling to bring the resources up to standard ready for mining and processing,” he said.

A recent geophysical survey at Sickle, Crescent’s main focus, has highlighted numerous, largely untested anomalies close to Sickle.

Follow-up RAB drilling will commence immediately on these targets.

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