
NEWS

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FOR IMMEDIATE RELEASE
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PART OF ANGLOGOLD ASHANTI'S LAVERTON ASSETS

GO TO AGGRESSIVE CRESCENT GOLD

World mining powerhouse, AngloGold, has agreed to sell selected gold assets in Western Australia to Crescent Gold Limited.

Crescent announced today the acquisition would significantly expand its Laverton gold project with the new holdings to be drilled as early as possible.

The acquisition, which increases Crescent's Laverton project acreage fourfold, continues an aggressive exploration and development program by the Company for the project which is moving rapidly to a mining decision on its promising Sickle prospect.

Under the terms of the agreement announced today, Crescent (ASX code: "CRE") will pay up to A\$4.4 million in cash and shares by December next year to take over selected assets around Laverton from AngloGold subsidiary, AngloGold Ashanti Australia Limited.

These include the Laverton exploration interests, royalties and resources to the north, east and southeast of the current producing Sunrise Dam gold mine, held by AngloGold Ashanti Australia.

Assets within the acquisition include:

- The Sickle Royalty, gold resources, tenements, data and the secondment of expert personnel
- Sickle royalties of \$30/oz (Nov. 2004 BFS estimated recoverable reserves exceeded 100,000 ozs).
- Fish gold project (621,000t @ 4.1g/t for 81,000ozs, estimated by SRK 2002).
- Preliminary pit designs completed by Crescent Gold at Lord Byron and Fish indicate the pits will generate cash surpluses of over A\$5m
- A number of Exploration Licences and Mining Licences which have quadrupled Crescent Gold's land position in the Laverton area from 450km² to over 1,777 km².
- Crescent has also secured access to AngloGold Ashanti Australia's database for the selected tenements.

Crescent Gold has committed to:

- A\$250,000 payable upon execution of a binding sale and purchase agreement.
- \$1m in CRE shares, at the 20 day Volume Weighted Average Price prior to settlement, to be assigned to AngloGold Ashanti Australia Limited.
- The third installment, payable by 15 December 2006, will be \$3.15 million.

“The acquisition is one of the most significant and value accretive agreements in the Company's history,” Crescent Gold Managing Director, Mr Andrew Haythorpe, said today.

“Preliminary pit designs at Lord Byron and Fish, within the Laverton acreage, as well as the removal of a A\$30 ounce royalty at Sickle, will substantially increase cashflows at the Laverton Gold Project on current estimates,” Mr Haythorpe said.

“The transaction will also allow Crescent to improve its reserve position, mine life and debt funding capacity for Sickle, our flagship project, and evolving mineral prospects nearby,” he said.

“This is a milestone in Crescent Gold's history and its drive to become a gold producer.

“The purchase and elimination of the royalties substantially enhances the project's economics and offsets recent widely reported cost increases in the mining industry.

“As Placer Dome and other entities have pre-emptive rights over several projects within the acquisition package, the final consideration payable by Crescent Gold may reduce by up to A\$2.9 million if all of the pre-emptive rights are exercised.”

Mr Haythorpe said drilling was now being planned for Lord Byron and Fish as well as a number of exploration targets identified in the package of AngloGold tenements.

A Bankable Feasibility Study found that Crescent Gold's 100%-owned one million ounce Laverton Gold Project, 250 kilometres northeast of Kalgoorlie, was economically viable, after allowing for rising costs during 2004.

It also said the project's economics would be enhanced substantially if the mill capacity was doubled to 2 million tonnes per annum (mtpa) at a cost of A\$9.2 million, for a gold recovery of 239,000 ounces.

MEDIA CONTACT:

Andrew Haythorpe
Crescent Gold Limited
(08) 9322 5833

Kevin Skinner
Field Public Relations
08 - 8234 9555 / 0414 822 631