

Financing: Crescent Gold plans to advance resource development



The wait has come to an end: The Australian gold producer **Crescent Gold (WKN A0B5UM)**, whose shares were halted for trading during the past few days, announced the successful closing of a financing in the amount of 5.323 million Australian Dollars. This capital, funded mainly by US gold and resources funds, is planned for acquisition of and above all for development of additional property at the so-called Laverton Extended Joint Venture property.

The letter of intent and the agreement to take over the property was already announced by Crescent Gold the end of November 2009. With the acquisition of the gold deposits Chatterbox and Beasley Creek and a 100% share of the Lancefield deposit, the company has access to an additional 1.1 million ounces of gold, of which more than half is close to surface.

As Crescent's Roland Hill explained to us, this recent financing was mainly executed in order to advance the exploration and development work on the property and to bring the resources into the next higher category.

Only a small share of the capital is to be used for payments of acquisition of additional property.

This action will allow Crescent to advance its development of the property's contained ounces as soon and as quickly as possible than was previously planned - to then have the world's largest gold producer, Barrick Gold, process it using their Granny Smith mill under the current ore processing agreement with Crescent, thereby optimally utilizing this capacity.

Without this financing, the exploration and development work would have been financed with initial cash flow, which would have significantly prolonged the time-frame of development.

After our discussion with Roland Hill, we are of the opinion, that Crescent Gold has taken a reasonable step, which will advance the development of the company. We hold on to our positive assessment of Crescent and expect a significant positive development of its shares once the data from the initial ore processing phase is announced, together with Barrick, in the quarterly figures. We conclude that investors, who don't shy away from risk, may find an interesting entry level at or near the current price level.

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