



Minetalk

Crescent's future brighter

GOLD production at Crescent Gold's Laverton mill could be restarted next year, following the results of a bankable feasibility study.

Crescent yesterday announced to the Australian Stock Exchange that the study had determined the gold project to be economically viable.

Executive director Andrew Haythorpe said key results from the study included:

- Gold recovery from current mineable resources would rise by more than 60 per cent if the mill capacity was doubled.
- Margins would be more robust, ranging from \$145 to \$195 an ounce, as unit costs per tonne would reduce.

He said the returns from the Laverton Gold Project would far outweigh the up-front costs.

"The feasibility study has generated unexpected opportunities to increase

reserves, reduce costs and improve milling performance at Laverton," Mr Haythorpe said.

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

The feasibility study also found the project's economics would be enhanced if the mill capacity was increased to 2 million tonnes per annum.

"This study has Crescent on target 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.

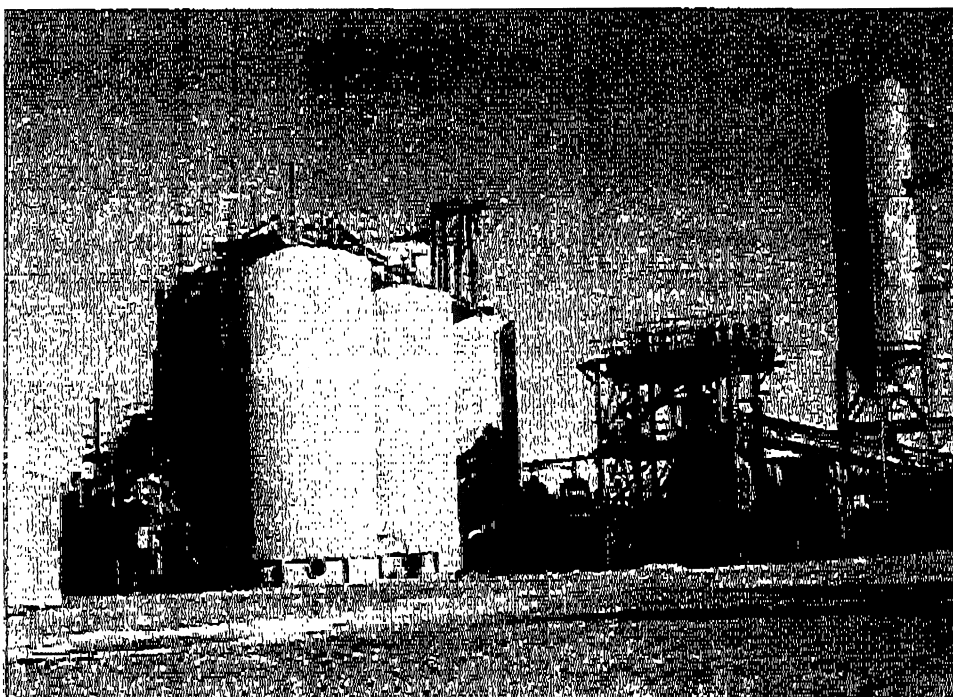
"The re-opening of the mill is central to our aim of profitable gold production of our own ore and profitable toll treatment for others."

The bankable feasibility study covered the company's top four potentially viable projects in the Laverton province - Sickle, Admiral Hill, Euro and West Laverton.

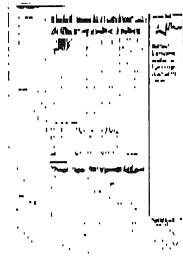
The others will undergo a similar study in 2005.

"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."



Restarted: Crescent Gold's Laverton mill could be restarted next year following the results of a feasibility study.



SPOTLIGHT

Crescent reopens Laverton gold mill

MICHAEL WEIR

Gold junior Crescent Gold will join the ranks of producers next year after giving the green light to re-starting its Laverton mill.

A bankable feasibility study found the project's economics could be enhanced substantially by doubling the mill capacity to two million tonnes a year.

"Doubling the production rate to 2mtpa is very attractive on a number of fronts," executive director Andrew Haythorpe said. "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 Laverton gold mill, 100 per cent owned by Crescent, is located

250km north-east of Kalgoorlie and sits in the centre of Crescent's one million ounce gold resource and close to other existing and emerging gold producers.

The feasibility study found that recoverable gold rose 60 per cent to 239,000oz if mill capacity was doubled. Capital costs would climb to \$9.2 million compared to \$5.1 million to bring the existing plant back into production "but the returns more than outweigh the increased up-front costs".

Crescent has forecast operating cash flows of \$31 million and margins ranging between \$145 an ounce to \$195/oz.

The company's shares gained 0.5¢ to 13.5¢ yesterday.

Meanwhile John Jones' Troy Resources has emerged as the single biggest shareholder of Adelaide Resources after taking the lion's share of a \$1.6 million placement.

Adelaide raised the money by issu-

ing 5.7 million shares at 28¢, a slight discount to yesterday's closing price of 29.5¢, which was 0.5¢ firmer.

Adelaide said the money would be used to look for new projects and for exploration on existing projects not currently funded through joint ventures.

Troy took up 4.9 million shares in the placement, which together with an existing 2.6 million parcel gives it a 14.5 per cent stake in Adelaide.

CRESCENT GOLD

