

## Crescent moves towards Laverton decision

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### **ASPIRING gold producer Crescent Gold has signed a native title agreement covering its Laverton gold project in Western Australia earlier than expected, and will now focus on expanding reserves ahead of a decision to mine in the second half of the year.**

The agreement included a 0.2-0.4% royalty, dependent on production. Crescent Gold will also issue 350,000 shares to the NEIB Aboriginal Corporation as trustee for the Wongatha Aboriginal Charitable Trust.

Crescent completed a bankable feasibility study (BFS) at the project late last year and was considering two production scenarios based on mill throughput. At a rate of 1 million tonnes per annum, the project had a mine life of 3 years, producing 170,000 ounces per annum. At an expanded 2Mtpa, the mine life was marginally reduced, while output increased to nearly 240,000ozpa.

Director Dean Gallegos told *MiningNews.net* the company was not leaning toward one scenario or another, but was instead focused on extending the mine life.

"We don't want to start with two to three years, we want to start with a little bit longer. We want to have more than three years before we go into production," he said.

"We would like to do that [2Mtpa] from day one but I think realistically how these things happen is you go into production, then you upgrade. That is the least risky way. If you go in there with 2Mtpa and you have to feed a hungry mill ... you are under pressure from the exploration side."

He said the company was aiming to make a decision to progress the project in the third or fourth quarter of the calendar year. Once a decision had been made it would be 3-4 months before the first gold was poured.

The BFS indicated it would cost \$9.2 million to refurbish the mill at the project. Gallegos said discussions with debt providers hadn't progressed since November as the company was confident of increasing the resource base, thus altering the economics of the project.

Crescent had extended a shareholder rights offer to mid-March because of the early agreement reached with native title groups. It was hoping to raise \$2.9 million in the offer to fund exploration.

The company was currently drilling at the project, including the prospective Sickle deposit that had been returning better than expected results, according to Gallegos.

"We are quietly confident of adding reserve and resource ounces to Sickle."

A geophysical survey completed in 2004 generated 20 targets at Sickle, five of which were tested last year with RAB drilling. Three of those indicated good mineralisation.

Over the next six months, Crescent has allocated \$2 million to drilling, and will return to the targets at Sickle.

Shares in Crescent Gold slid 4% at midday to 12c.