

Crescent To Take Over Part Of Anglogold's Laverton Assets

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



A Crescent Mining Site

Crescent announced 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 on Friday, Crescent 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.

"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.

"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 cash flows at the Laverton Gold Project on current estimates," Mr Haythorpe said.

According to Mr Haythorpe the transaction will also allow Crescent to improve its reserve position, mine life and debt funding capacity for Sickle, its flagship project, and nearby evolving mineral prospects.

"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.

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