
NEWS

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LAVERTON GOLD RESERVES DOUBLE AS CASH

TOP UP GEARS CRESCENT FOR MINE DECISION

Crescent Gold Limited has doubled Proven and Probable gold ore reserves at Laverton, Western Australia, to 292,000 ounces.

The result is a 96% increase on ore reserves of 148,500 ounces outlined in a base case Bankable Feasibility Study a year ago. Crescent's ("CRE") new ore reserve totals 4.4 million tonnes (mt) grading 2.1 grams per tonne gold (g/t au).

In what he described today as "a number of significant advances" for the Laverton project, Crescent Gold's Managing Director, Mr Andrew Haythorpe, also announced:

- Laverton would return a net cashflow of nearly A\$47 million, based on today's reserve estimate and a gold price of A\$675 per ounce
- This grows to A\$74 million using the current two year forward price for gold of A\$750 per ounce
- Margins remained excellent at a C1 cash cost of A\$313 per ounce – (C1 costs exclude administration, overhead, capitalised waste, depreciation and amortisation charges)
- A\$8.9 million had been added to the Company's balance sheet from a recent exercise of 20 cent options – the conversion dominated by strong support from US optionholders
- Production at Laverton can now be committed to with a strong balance sheet (current cash reserves of A\$12 million).
- The ore reserve supports project debt finance to a Bankable standard.

"We are now progressing rapidly towards gold production at Laverton. Excellent potential to add to reserves remains from the unconverted balance of 1.38 million ounce resource," Mr Haythorpe said.

"The new capital cost estimate of A\$5.6 million to refurbish and restart our wholly owned processing plant at Laverton, is low.

“The company may elect to expand the mill to 1.5mtpa of throughput with a further A\$5.9 million either before or shortly after production commences, for an expanded annual output of 90,000 ounces.

“We see Laverton commencing at 1 mtpa and rapidly moving to the higher production level.”

Mr Haythorpe said Crescent Gold planned an ongoing drilling program at Laverton.

Its current Measured, Indicated and Inferred Resource totals 29.5mt at 1.5 g/t au containing 1.378 million ounces of gold. The resource is contained mainly within five areas of mineralisation – Sickle, Fish, Euro, Admiral Hill and West Laverton, with Sickle providing over half of today’s new reserve figure.

“The Sickle deposit clearly underpins the project in terms of net cashflow and recovered ounces,” Mr Haythorpe said.

Crescent Gold last month announced a 41% higher gold reserve (recovered ounces) for Sickle, following intensive drilling around Sickle’s four main lodes.

“We now have real balance sheet strength. The conversion of options has removed the overhang on our share price and occurred at a time we are moving rapidly toward mining within a strengthening gold price - in excess of US\$500 an ounce,” Mr Haythorpe said.

Mr Haythorpe said Crescent Gold is seeking contractors to mine the Laverton project, had commenced debt financing talks for project start-up and operations, had progressed forward sale discussions on some of its reserves, and is seeking a Project Manager for the Laverton gold project.

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