
NEWS

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GOLD RESERVES UP 41% TO 137,000 OUNCES

FOR CRESCENT'S SICKLE PROJECT IN W.A.

Crescent Gold Limited (ASX code CRE) has announced a 41% higher gold reserve for its flagship Sickle project in Western Australia.

The Company said today that 137,000 ounces had now been classified in the reserve category compared with the initial reserve figure of 97,000 ounces of gold announced late last year.

The higher reserve, which followed a year of intensive drilling in and around Sickle's four main lodes, is at a cut-off grade of 0.8 grams per tonne (g/t).

The Company said today that it anticipated ongoing drilling to further increase Sickle's JORC classified estimations by the end of next month.

Last month, Crescent announced a total JORC-compliant Inferred and Indicated resource of 9.7 million tonnes at 1.7 g/t gold for 520,000 ounces at Sickle.

On today's revised estimates, the total Inferred, Indicated and Measured JORC resource for Crescent's whole Laverton project, including Sickle, is 29.5 million tonnes at 1.5 g/t gold containing 1.38 million ounces of gold.

Additional project financial review

Crescent also announced today that it had completed a new financial review of Sickle, part of the Laverton gold precinct north of Kalgoorlie.

The updated financial review took into account higher mining and processing costs which had emerged across the sector in 2005, particularly because of the impact of higher oil prices.

Despite higher costs, the study found the Sickle project still returned a net cashflow from the Sickle Pit of A\$22.8 million.

Cost fundamentals used for the study were a gold price of A\$625 per ounce (less than the current price of around A\$640/oz) and total estimated costs of A\$456/oz, including cash costs of approximately A\$300/oz (C1).

The net cashflow estimate of A\$22.8 million was based on Crescent's current decision to move to an expanded annual throughput of 1.5 million tonnes, compared to previous considerations of 1.0 million tonnes, at its 100%-owned Laverton gold plant.

"We are highly confident that current drilling will further improve reserve grades and the project's economics," Crescent Gold's Managing Director, Mr Andrew Haythorpe, said today.

"Unit costs can be reduced by increasing the cut-off grade without a major reduction in cashflow while further optimisation studies are underway across the total identified mineralisation at Sickle," Mr Haythorpe said.

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