

Crescent Signs an Ore Sales and Purchase Agreement with Barrick for Laverton gold resource in WA

ASX Code: *CRE*
TSX Code: *CRA*
FET Code: *CRE5*

SHARE INFORMATION

ASX Share Price: *A\$0.165*
Issued Shares: *590.9m*
Market Cap: *A\$97.5m*
Options unlisted: *32.9m*

FULLY DILUTED BASIS

Shares: *623.8m*

CONTACT DETAILS

Level 2, 40 Subiaco Square
Subiaco WA 6008
Phone: +61 8 6380 7100
Fax: +61 8 6380 7199
info@crescentgold.com
www.crescentgold.com
ABN 49 087 360 996

Monday 15 June 2009

By Electronic Lodgement

Company Announcements Office
Australian Stock Exchange Limited
2 The Esplanade
PERTH WA 6000

Not for Distribution to United States newswire services or for dissemination in the United States.

Crescent Gold Limited (ASX code: "CRE") has signed an Ore Purchase Agreement (OPA) with subsidiaries of Barrick Gold Corporation (Barrick) in relation to the purchase by Barrick of ore from Crescent's Laverton Gold Project, north of Kalgoorlie in Western Australia - and the proposed campaign treatment of that ore through Barrick's nearby Granny Smith Mill.

Highlights

As was previously indicated to the market, an OPA has been finalised and subsequently signed between Crescent and Barrick. The Agreement is in respect to the purchase of Crescent's Laverton Gold Project (LGP) Ore by Barrick for the purpose of processing through Barrick's Granny Smith Mill (GSM) at Laverton.

This OPA follows the initial framework and collaborative intent that was set out in the Memorandum of Understanding (MOU) that was signed in February 2009.

The terms of the OPA represent mutually beneficial operating provisions and synergies for both companies.

The purchase price for Crescent's gold ore will be established by an agreed pricing methodology that takes into consideration the current gold price, volume of ore, the ore grade, recovery rate and the pro-rata cost of processing.

All endeavours will be made by both parties to commence dedicated campaign treatment of Crescent ore during the fourth quarter of the calendar year 2009 and to continue on a scheduled basis for the term of the Ore Processing Agreement.

Outlook

Minimal capital expenditure will be required by Crescent to commence production and delivery of ore to Barrick's GSM.

Crescent's 100% owned 1.5 million tonne per annum (mtpa) Barnicoat mill at Laverton will remain on a care and maintenance status. 1.8 mtpa of Crescent ore will be mined and delivered for processing through the Barrick GSM facilities, located just 20km from Crescent's operations.

The OPA enables mutual operating costs to be tightly controlled while delivering to both companies, enhanced project economics through scale of processing.

The signing of the OPA is a significant facet of Crescent's long-term gold strategy and is in line with the Company's stated objective of re-commencing operations at the LGP.

Operative Provisions

Under the provisions of the OPA:

- Crescent will mine and haul its ore to the GSM;
- Subject to specifications, Barrick will purchase the ore;
- The ore will be purchased under an agreed pricing methodology;
- The ore will be batch treated by Barrick in scheduled periods alternating with batch treatment of its own ore;
- Crescent staff will monitor the ore progression through the entire process including access to all internal operating data and reports;
- The parties will have agreed procedures and dispute resolution processes. Provision for a third party referee is made;
- Barrick will make a provisional payment for ore at an agreed period after processing of a batch commences;
- A final adjustment payment will be made to reflect reconciled gold production.
- Crescent has a first right of refusal to fill any additional capacity at the GSM (with the exception of any offer or arrangement between Barrick companies, JV partners or affiliates).

Crescent Resource Development Program

Since suspension of mining activities at the LGP in July 2008, Crescent has worked diligently at undertaking an extensive review of its development plan for Laverton, its resource base and the mining and processing options available to the Company.

The Crescent development team has focused on optimising 6 initial deposits for the opening delivery of ore to Barrick, but will continue to examine further ore delivery options into the OPA. Extensive evaluations of these deposits have resulted in the remodelling of all development pits with the technical studies having been verified by peer and independent expert review.

Crescent will release an updated ore Reserve and Resources Statement as a result of this completed work.

The signing of the OPA highlights the mutual recognition of the longer-term benefits of the processing strategy. Crescent looks forward to a long and successful working relationship with Barrick by which both companies can realise obvious operational synergies and economics in the Laverton region.

Yours faithfully,



Roland Hill
Chairman