

CRESCENT COMMENCES CAMPAIGN MILLING OF GOLD ORE THROUGH BARRICK FACILITY

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

SHARE INFORMATION

ASX Share Price: *A\$0.215*
Issued Shares: *590.9m*
Market Cap: *A\$127.0m*

Unlisted options
and convertible
notes: *37.6m*

FULLY DILUTED BASIS

Shares: *628.5m*

CONTACT DETAILS

Level 2, 40-48 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

15 October 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 COMMENCES CAMPAIGN MILLING OF GOLD ORE THROUGH BARRICK FACILITY

Crescent Gold Limited (ASX:CRE, TSX:CRA) is pleased to announce that the sale of Crescent ore to Barrick and the campaign processing of Crescent ore has commenced at Barrick's Granny Smith mill (BGSM) at Laverton, Western Australia.

Following the recent commencement of mining activities at Laverton and the hauling and stockpiling of gold ore to Barrick's nearby Granny Smith mill (BGSM), Crescent has now reached its next stated development milestone with the start of processing of Crescent ore through BGSM as of the 11th of October 2009.

The ore processing will be undertaken by Barrick on an allotted 50 days per quarter campaign basis under the guidelines of the recently negotiated Ore Purchase Agreement (OPA).

All gold produced under the OPA will be attributable to Barrick, however the equivalent production rate of gold is forecast to be >100,000oz per annum.

The processing of ore through BGSM provides Crescent with a low capital and lower operating cost alternative to processing its gold than through the Crescent owned Barnicoat mill at Laverton (currently under care and maintenance). The lower cost and improved operating economics is as a result of Crescent obtaining access to an existing world class processing facility that has available spare capacity. Furthermore, operating costs are lower as economies of scale are achieved with Barrick fully utilizing the mill and amortising processing costs over a larger number of tones processed – therefore lowering the unit cost per ounce produced.

Under the OPA, several key points provide a tenable working platform. They include:

- ✓ A Gold in Circuit (GIC) inventory assessment will be undertaken at the start and finish of each campaign period to clearly define the contained gold and gold produced from each company.
- ✓ Barrick's processing charge is cost plus a small margin.
- ✓ The Agreement also provides for a transparent review of costs chargeable to Crescent.
- ✓ A senior Crescent metallurgical team staff member will be on site at the BGSM to oversee the processing of Crescent ore and the production and pouring of gold.

- ✓ Shared infrastructure to reduce capital expenditure.
- ✓ Flexible and collaborative approach to processing rates.

Crescent will continue to deliver ore to the BGSM Run of Mine pad (RoM) continuously on a 24 hours a day / 7 days a week basis to build a starting stockpile in the order of 240,000 tonnes prior to the commencement of each campaign period. Ore will continue to be hauled and stockpiled once Barrick commences the processing of Crescent's ore resulting in a total delivered tonnage of between 400-600,000 tonnes over each campaign period.

Revenues (ore payments made to Crescent by Barrick) will commence following the initial gold pour by Barrick sourced from Crescent's processed ore. There will be several progress payments made to Crescent by Barrick following each gold shipment (fortnightly). These payments will amount to approximately 50% of the gold value processed. A balance payment will be made at the end of the campaign period less costs and variances (+/-). To complete the ore purchase.

This processing Agreement is simple and transparent in its construction and also in the reconciliation of costs to gold produced. More importantly however, is the definite advantage the OPA provides Crescent in lower processing costs over our existing mill purely due to economies of scale and the current surplus capacity in the BGSM.

In reaching the milestone, Crescent would like to acknowledge the efforts of both Mining and Civil Australia (MACA) as our mining contractor and Hampton Mining (Hampton's) as haulage contractor in enabling Crescent to meet its production objectives.

Crescent also looks forward to a close working relationship with Barrick whereby a collaborative approach to attaining mutual production goals can be achieved.



Barrick loading Crescent ore into the BGSM hopper



View of BGSM RoM pad and primary crushing facilities



Side view of BGSM primary crusher being loaded with CRE ore

Yours faithfully


ROLAND HILL
CHAIRMAN

Additional information related to the Company is available for review at www.sedar.com or on the Company's website at www.crescentgold.com.

For further information please contact Roland Hill or Jo-Ann Wellstead in Australia on +61 8 6380 7100, or Renee Brickner in Canada on +1 604 802 6806.