



A1 Consolidated Gold

A1 Consolidated Gold Ltd

ABN 50 149 308 921

ASX:AYC

Investment Highlights:

Advanced project on granted mining lease – fully operational mine site including underground development & infrastructure

Inferred Mineral Resource in accordance with the JORC Code of 133,000 oz Gold 750,000 tonnes @ 5.5 g/t Au^(1,2)

Developing decline at approx 100 metres per month – stockpiling gold bearing material on site

Board of Directors:

Chairman

Ashok Parekh

Managing Director

Dennis Clark

Technical Director

Darren Croucher

Non-Executive Directors

Morrie Goodz

Glenn Wardle

Jeff Williams

Joint Company Secretary

Emma Walczak

Dennis Wilkins

Capital Structure:

138,208,921 ordinary shares

26,666,667 unlisted options

Contact:

Emma Walczak

Dennis Wilkins

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info@a1consolidated.com.au

Quarterly Activity Report for the Period Ended 30th June 2012

Highlights:

- **Completed A\$8.1 million initial public offering (IPO) June 2012**
- **The Company listed on the ASX 21st June 2012**
- **In July 2012, released a maiden JORC Inferred Mineral Resource at the Company's 100% owned A1 Gold Mine, 1400 Stockwork Zone (Figure 1)**
 - ❖ **750,000 tonnes @ 5.5 g/t Au for 133,000 oz Gold⁽¹⁾⁽²⁾**
- **Decline development path has been designed to intersect the dyke every 25 vertical metres and is currently at the 1590 Level**
- **Development is on target to reach the 1400 Stockwork Zone within 12 months**
- **Mine Definition Drilling Program to commence in September Quarter**
- **Mill optimisation currently being undertaken at Maldon Mill**
- **First 5,500 tonne currently being treated from 1650 Level**

Victorian based near term gold producer, A1 Consolidated Gold Limited (ASX:AYC) is pleased to report its activities on the Company's gold project in north-eastern Victoria for the quarter ending 30th June 2012.

⁽¹⁾Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration at this date to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource, as there is insufficient close-spaced drill hole data to adequately define grade and geological continuity for this structurally complex deposit. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category or to Ore Reserves.

⁽²⁾Tonnage is reported in metric tonnes, grade as grams per tonne gold (g/t gold) and contained gold in troy ounces (oz gold). Total tonnes have been rounded to the nearest 5000 tonnes and ounces to the nearest 1000 oz. The grade is rounded to the nearest 0.5 g/t gold to indicate the accuracy of the estimate. The most likely cut-off grade for this deposit is not known and will need to be confirmed by the appropriate economic studies, but is provisionally considered to be 3 g/t gold.





A1 Gold Mine (MIN5294)

➤ Safety

There were no lost time injuries during the quarter.

The Company has achieved in excess of 100,000 hours lost time injury free (LTI) at the end of the June quarter.

➤ Underground Development

The Decline was extended 196 metres and is currently at the 1590 level.

Lateral development of a stockpile and service cuddy was completed for a further 34 metres.

The 1650 south drive was extended by 30 metres and is now complete.

The 1625 exploration drive was developed for 80 metres and is ready for diamond drilling.

➤ Mine Definition Drilling

The Company has purchased a new diamond drill-rig and the drill has been commissioned, to date three drill holes have been completed during the commissioning of the drill rig, for a total of 253.5 metres.

➤ Toll Treatment

The Company has transported 5,500 tonnes from the 1650 Stockworks to Maldon Resources Pty Ltd's treatment facility at Maldon in central Victoria. Treatment has commenced and will be completed in the September Quarter.

Ten Mile Goldfield (EL5109 & MIN4636)

➤ Acquisition

As part of the IPO completion, the Company has now acquired a 100% interest in both EL5109 & MIN4636. An exploration work-plan is being prepared and will be submitted early in the September Quarter

➤ Exploration

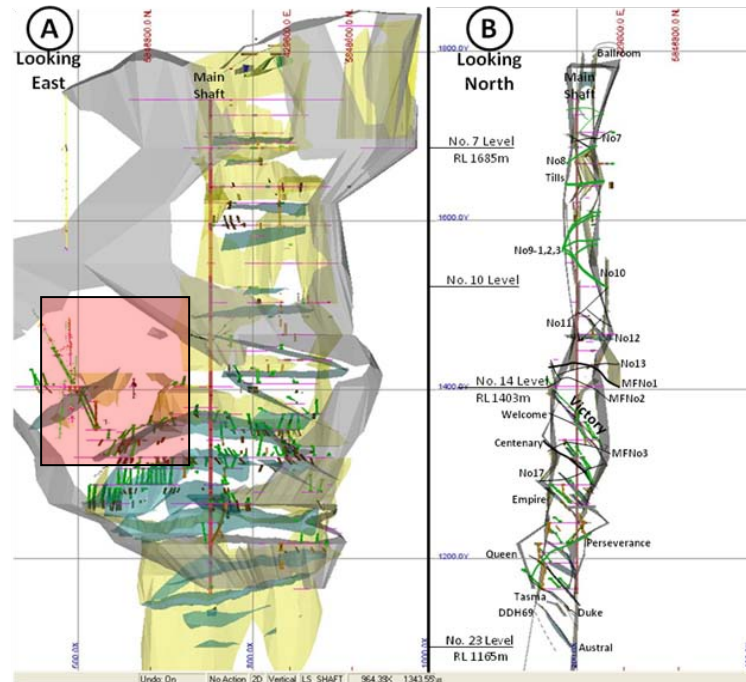
Low impact surface exploration work in conjunction with office studies will be commenced in the next month. The Company will also commence compiling a data base for these two tenements.

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Figure 1: Long and cross-sections showing 1400 Stockwork Zone Mineral Resource in relation to veins, dyke and historical workings through Main shaft section



(Figure is not to scale, but for illustration purposes only)

Managing Directors Comment

Managing Director, Mr Dennis Clark said that the Maiden Inferred JORC Resource represents a significant milestone in the company's development and coming so soon after the 21 June 2012 ASX Listing is a credit to all the hard work of those involved with A1 Consolidated Gold.

"Pleasingly, there is significant scope to add to this resource, based on a further 136 historical diamond drill holes already completed from the 1400 Level. Once the data from these historical holes has been validated, the Company will complete modelling to include this additional drill hole data to add to the resource base".

"This result gives us confidence of hitting our development milestones in the coming 12 months as we progress the decline to the 1400 Stockwork Zone. The Company is making excellent progress with its decline development which is currently at the 1590 level and we expect to reach the 1400 Stockworks by July 2013. The mine development is tracking to budget with expenditure of circa \$6.1 million remaining".

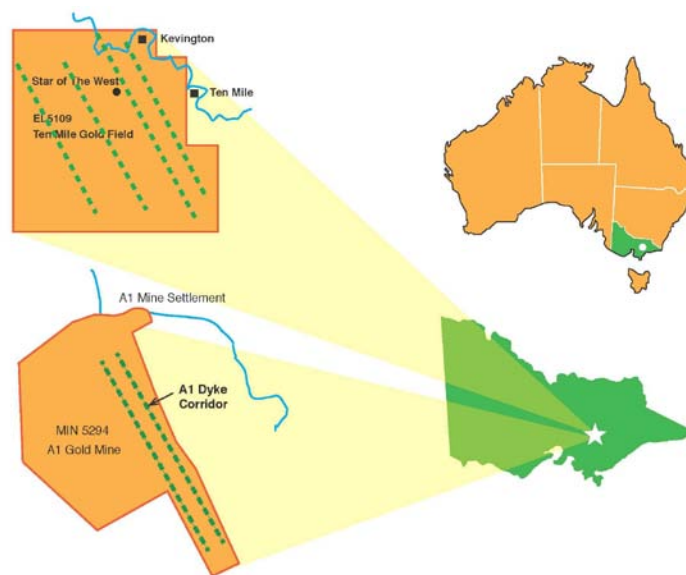




About the Company

A1 Consolidated Gold Ltd is a junior gold exploration company focused on developing the A1 Gold Project in the Woods Point – Walhalla Goldfield located in north-eastern Victoria (Figure 2). The Company has also acquired two mineral tenements to the north of the A1 Gold Mine for further exploration. A1 Consolidated Gold is currently developing an underground decline to the 1400 Stockwork Zone and expects to reach this zone in July 2013. The mining design is for a bulk mineable ore-body.

Figure 2: Location of Tenements



(Figure is not to scale, but for illustration purposes only)

Current Mine Definition and Exploration Drilling

In addition to the Inferred Mineral Resource, A1 Consolidated Gold has commenced a program of underground diamond drilling since the listing of the company. This drilling, utilising a new compact drilling rig owned by the company, is aimed at identifying further targets, which could be developed and economically extracted as the decline is developed to the 1400 Stockworks.

It is anticipated that drilling will be undertaken from the Stockpiles required to be developed for the decline, and will assess both the northern extension and central section of the A1 Dyke bulge for economic mineralisation. The A1 Dyke structure to the immediate north of the Main shaft has had limited exploration above the 1450 Level and the current drilling program is aimed at further understanding the potential of this zone to host economic mineralisation.

At the present, three drill holes have been completed during the commissioning of the drill rig, for a total of 253.5 metres. The core from this drilling is yet to be logged prior to being sampled and assayed.





Exploration Target

The Stockwork Zones have also been identified to host a further JORC exploration target of between 5.8 to 8.4 million tonnes with a grade range of 3.0 to 11.0 g/t Au⁽³⁾ (Table 1)

Table 1: Tabulated tonnage and grade ranges for exploration target

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
Upper 1400 Stockworks	1,000,000	1,300,000	5.0	11.0
Lower 1400 Stockworks	800,000	1,000,000	3.0	9.0
Northern Extension	4,000,000	6,000,000	3.0	11.0
1650 Stockworks	70,000	100,000	5.0	11.0
Total	5,870,000	8,400,000	3.0	11.0

*Note Discrepancies in calculation numbers are affected by rounding

⁽³⁾References to exploration target size and Target Mineralisation in this release are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Jason Fothergill who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fothergill is a full time employee of A1 Consolidated Gold Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Fothergill has given his consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information that relates to exploration and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs, production costs and other operating results, growth prospects and the outlook of A1 Consolidated Gold Limited's operations contain or comprise certain forward looking statements regarding A1 Consolidated Gold Limited's exploration & development operations, economic performance and financial condition. Although A1 Consolidated Gold Limited believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, mine development and operating risks, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, discrepancies between actual and estimated production, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. A1 Consolidated Gold Limited undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A1 CONSOLIDATED GOLD LIMITED

ABN

50 149 308 921

Quarter ended ("current quarter")

30 JUNE 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,695)	(4,215)
(b) development	-	-
(c) production	-	-
(d) administration	(240)	(364)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	48	116
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,888)	(4,467)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(43)	(354)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(50)	(159)
Bonds Lodged		
Net investing cash flows	(93)	(513)
1.13 Total operating and investing cash flows (carried forward)	(1,981)	(4,980)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,981)	(4,980)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	8,092	13,555
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	55	55
1.17	Repayment of borrowings	(9)	(39)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Capital raising costs	(786)	(1,303)
	Net financing cash flows	7,352	12,268
	Net increase (decrease) in cash held	5,371	7,288
1.20	Cash at beginning of quarter/year to date	2,830	913
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,201	8,201

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	1,001
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Payments to related entities for:	\$A'000
- Mine operating goods and services	996
- Company secretary fees	5

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The issue of 56,033,333 ordinary shares at an issue price of \$0-30 per share for the acquisition of various tenement rights and plant and equipment for a consideration of \$16,810,000.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	1,182
4.3 Production	-
4.4 Administration	288
Total	1,620

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	79	2,829
5.2 Deposits at call	8,122	1
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,201	2,830

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	MIN5294 MIN4636 EL5109) All acquired through) exercise) of options	100%	100%

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	Not applicable			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	138,208,291	54,400,580	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	83,009,096 -	26,975,763 -	30 cents -	30 cents -
7.5 *Convertible debt securities <i>(description)</i>	Not applicable			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	26,666,667	-	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 31 December 2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	Not applicable			

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7.12	Unsecured notes (totals only)	Not Applicable	
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 30/07/2012
(Director/Company secretary)

Print name: Dennis Clark

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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