



A1 Consolidated Gold

ASX Release – 30th October 2015

Quarterly Activities Report

A1 Consolidated Gold Ltd

ABN 50 149 308 921

ASX:AYC

Investment Highlights:

A1 Gold Mine :

Mineral Resources in accordance with the JORC Code (2012)

Indicated – 250,000 t @ 5.1 g/t for 41,200 oz Au
Inferred – 1,170,000t @ 6.4 g/t for 240,000 oz Au

Maldon Gold Operations :

Fully operational 150,000tpa gold processing facility, Union Hill Mine, including underground development and infrastructure

Board of Directors:

Chairman

Dale Rogers

Managing Director

Dennis Clark

Non-Executive Directors

Jamie Cullen

Anthony Gray

Company Secretary

Dennis Wilkins

Capital Structure:

446,356,265 Ordinary Shares

223,750,389 Listed Options

9,000,000 Unlisted Options

71,428,565 Convertible Notes

Contact:

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A1 Consolidated Gold Limited (ASX: AYC) is pleased to report its activities for the Quarter ending 30th September 2015.

Highlights:

❖ **Purchase of Walhalla**

- Acquisition of Tubal Cain and Eureka deposits
- Inferred Mineral Resources¹
 - Tubal Cain: 932,000t @ 4.10 g/t Au for 122,900 oz Au
 - Eureka: 153,000t @ 9.90 g/t Au for 49,200 oz Au
- \$850,000 consideration in staged payments

❖ **A1 Gold Mine**

- Decline developed to within 260 metres of 1400 level stockwork zone
- Narrow vein high-grade gold continues to be mined from 1460 level

❖ **Maldon Gold Operations**

- Stoping continuing at Union Hill Mine

Managing Directors Comments

Managing Director Dennis Clark commented "During the September 2015 Quarter the Company re-negotiated and subsequently executed a Binding Term Sheet for the purchase of MIN5487 at Walhalla, a historical gold mine close to our existing operations. The deposits at Walhalla have a combined Inferred Mineral Resource of over one million tonnes with significant exploration upside. I believe it is an opportunity too good to pass up."

Note 1. Refer to Orion Gold NL (ASX: ORN) ASX Announcement dated 31 January 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.





Safety & Environment

There were no lost time injuries (LTI's) during the quarter and no reportable environmental incidents.

The Company has achieved in excess of 248,000 hours LTI free at the end of the September Quarter.

- A1 Gold Mine (MIN5294) 231,850 hrs
- Maldon Gold Operations (MIN5146) 16,827 hrs

Purchase of Walhalla Mining Tenement

During August 2014 A1 Gold entered into an Option Agreement with Orion Gold NL ("Orion") to acquire Orion's Walhalla tenements (refer to ASX Announcement dated 29 August 2014). This agreement expired on 31 July 2015, however on 11 August 2015 A1 Gold announced that it had entered into a binding Terms Sheet with Orion to acquire mining licence MIN 5487 for a reduced consideration of \$850,000.

Mining licence MIN 5487 is located in the Woods Point – Walhalla Goldfield, 150 kilometres east of Melbourne, and overlies both the Eureka and Tubal Cain gold deposits.

Staged payment terms for the purchase include \$50,000 cash paid on execution of the Terms Sheet, \$300,000 paid through the issue of shares at 3.838 cents each on completion of the sale (being no later than 30 November 2015), and a 2% net smelter royalty on the sale of gold recovered from the tenement to a value of \$500,000 (with any unpaid amount becoming payable after 36 months).

The Tubal Cain and Eureka gold deposits are predominantly dyke-hosted, with visible and disseminated gold associated with parallel ladder veins similar to the A1 Gold Mine. Eureka was mined from 1867 to 1915 to a depth of approximately 150 metres and produced 70 kilograms of gold. Tubal Cain was worked from 1866 to 1911 to a depth of 100 metres and produced 120 kilograms of gold.

The deposits have a combined Inferred Mineral Resource of **1,085,000 tonnes grading 4.93 g/t Au for 172,100 ounces** of gold (Table 1).

Table 1.			
MIN 5487 - Mineral Resource Estimate (January 2014) ¹			
Deposit	Inferred		
	Tonnes	Au g/t	Ounces Au
Tubal Cain	932,000	4.10	122,900
Eureka	153,000	9.90	49,200
Total	1,085,000	4.93	172,100

Note 1. Refer to Orion Gold NL (ASX: ORN) ASX Announcement dated 31 January 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.





During the 12 month Option period exploration work completed by A1 Gold concentrated on the Eureka Mine with the objective of identifying near term mining opportunities. This exploration programme included accessing the Western Adit and sampling exposed underground reefs, reviewing all historic mining and drilling data and constructing a detailed 3D model of all the quartz reef structures in the mine area.

Two diamond holes (EUSDH-001 and EUSDH-001W1) were drilled to test for gold-bearing quartz reef above the Western Adit Level, adjacent to the historic mine workings (refer to ASX Announcement dated 11 August 2015).

A total of 9 reefs were intersected in EUSDH-001 and 4 reefs in EUSDH-001W1 including the E3 reef in EUSDH-001 that returned 3.2 metres @ 10 g/t Au within the main target zone on the Western Adit Level.

These holes intersected gold-bearing quartz reef within the targeted zone, along with many other mineralised reefs structures (Figure 1). This drilling confirmed the Company's view on potential extensions to the identified Resources at Eureka.

A1 Gold plans to develop and mine narrow-vein high-grade gold at the Eureka Deposit for processing at its Maldon gold processing plant. Upon completion of the purchase a Mining Work Plan will be lodged with the Victorian Government to provide for the commencement of underground mining in the already developed Western Adit area.

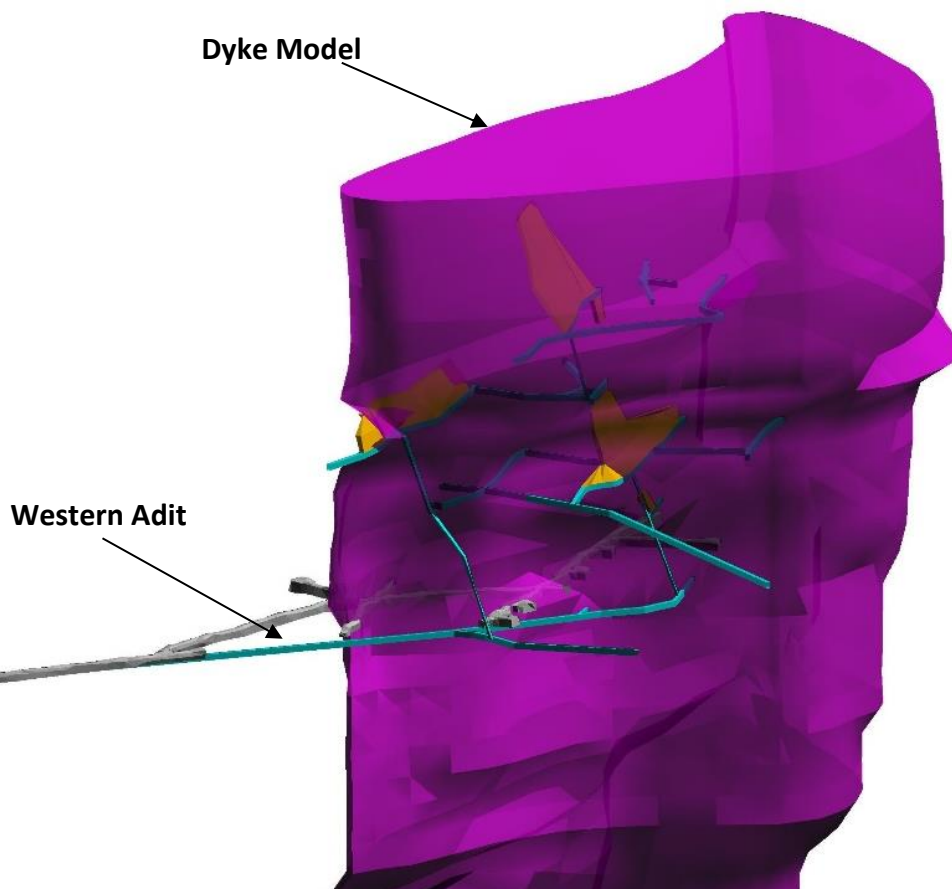


Figure 1. Isometric View of the Western Adit and Eureka Dyke Model

(This figure is a screen capture and not to scale. It is provided for illustration purposes only.)





A1 Gold Mine

A1 Mine 1460 Level

Development and mining of the 1460 level continued with 466 tonnes being mined, grading 16.6 g/t Au. Mining on the 1460 level has been at a considerably higher grade than forecast, however has been slower than anticipated as the multiple narrow and variably oriented quartz veins are developed.



Figure 2. 1460 Level: Series of strongly mineralised east dipping quartz veins - Sub Level 2 South



Figure 3. 1460 Level: Coarse gold in backs of rise around Sub Level 2 take off position





Decline and Lateral Development

During the September 2015 Quarter, the Company continued Decline development at the A1 Gold Mine to access the 1400 level stockwork zone. A total of 143 metres of development was achieved during the quarter. At the date of this report, the Decline face was at the 1438 level only 258 lateral metres from the 1400 level stockwork zone.

Development of the Decline was slowed during the quarter when several shallow dipping faults/shears were intercepted. Development was paused for several days to allow a horizontal geotechnical diamond hole to be drilled some 30 metres along the proposed path of the Decline. Based on logging of the core and data derived from this geotechnical drilling, a minor redesign of the Decline's path was undertaken to place the Decline in the best available ground conditions.

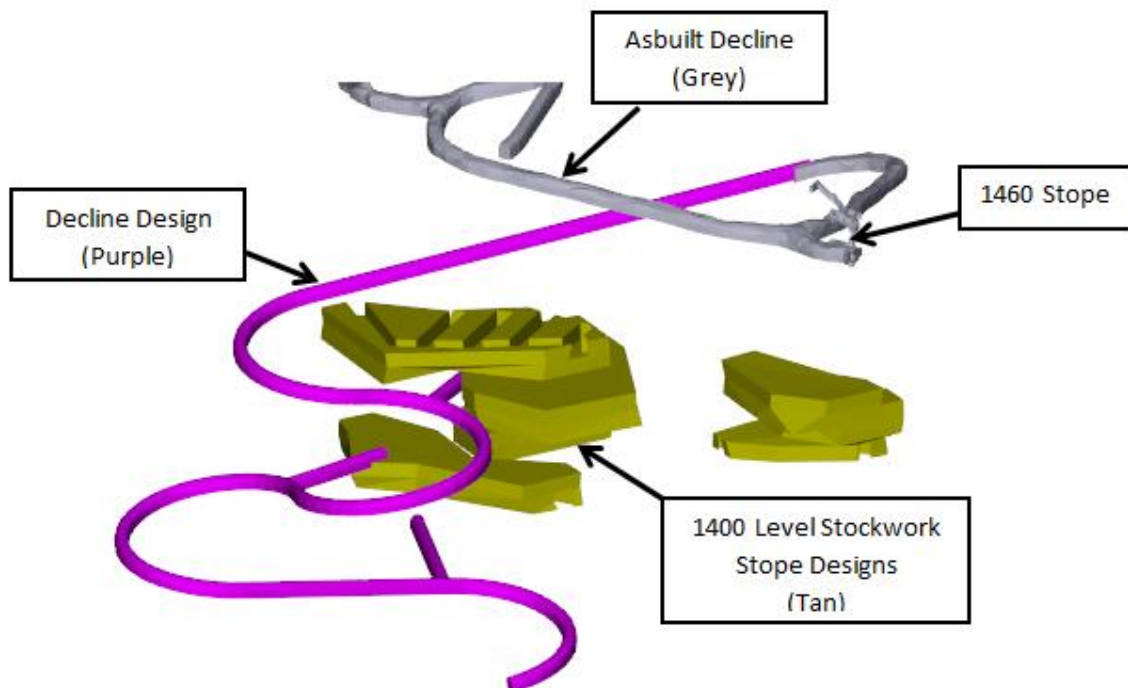


Figure 4. Isometric view of the A1 Mine Decline

In addition to the standard ground control practices used in Decline development, additional support by way of shotcreting and cable bolting has been added to ensure the safe development and long term stability of the Decline. Further horizontal geotechnical holes have been added to the forecast for the next quarter as the Decline approaches the top of the 1400 Stockwork resources.

These additional safety, predictive and stabilising actions have reduced the forecast rate of advance and with the difficulties and delays in the development rate, may lead to the company requiring further capital and the directors are currently assessing this.





Union Hill Mine

1080-1100 Stope

Mining at the Union Hill Mine was on hold for most of the Quarter as the Company focussed on development and mining at the A1 Mine.

Towards the end of the Quarter mining recommenced at the Union Hill Mine, with production drilling of the 1080 East longhole stope. This stope, which is being developed on the Eaglehawk Reef between the 1080 and 1100 levels, is expected to produce 2,000 tonnes @ 4.75 g/t Au. By the end of the month all production drilling had been completed and firing of the stope had commenced.

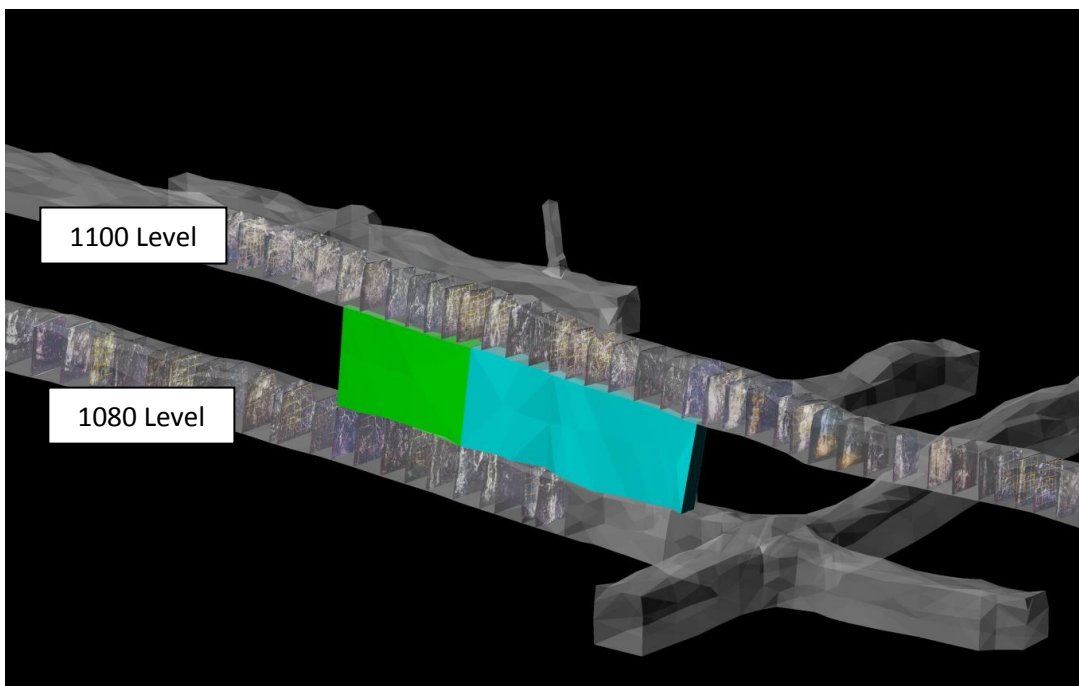


Figure 5. Eaglehawk Reef: 1080-1100 Level stoping shapes

Ore Processing

Ore processed during the Quarter was sourced from the A1 Mine 1460 level and Union Hill Mine 1080 level. Ore processed during the Quarter was 3,586 dry tonnes to recover 3.6 g/t Au for 415 fine ounces.

Gold sales were \$205,785 during the quarter from the sale of 127 ounces of gold at an average gold price of AUD\$1,611.50 per oz.

Subsequent to the end of the Quarter, the Company has poured a further 458 ounces of gold.

Ore sources scheduled for processing during the December 2015 quarter will continue to consist of ore derived from the A1 Mine 1460 level and Union Hill Mine 1080 level.





Tenement Holdings and Movements

Below is a schedule to mining tenements and beneficial interests held as at the end of the September 2015 Quarter:

Mining Tenements

Tenement Reference	Equity	Status	Holder
Woods Point – Walhalla Goldfield (Victoria)			
MIN 5294	100%	Granted	A1 Consolidated Gold Limited
EL 5109	100%	Granted	A1 Consolidated Gold Limited
MIN 5487	0% ¹	Granted	Orion Gold NL
Maldon Goldfield (Victoria)			
EL 3422	100%	Granted	Maldon Resources Pty Ltd
EL 5177	100%	Granted	Maldon Resources Pty Ltd
EL 5499	100%	Granted	Maldon Resources Pty Ltd
MIN 5146	100%	Granted	Maldon Resources Pty Ltd
MIN 5528	100%	Granted	Maldon Resources Pty Ltd
MIN 5529	100%	Granted	Maldon Resources Pty Ltd
Wehla Goldfield (Victoria)			
MIN 5433	100%	Granted	Matrix Gold Pty Ltd
MIN 5574	100%	Application	Matrix Gold Pty Ltd
Campbelltown Goldfield (Victoria)			
MIN 5464	100%	Granted	Highlake Resources Pty Ltd
Amherst Goldfield (Victoria)			
MIN 5465	100%	Granted	Highlake Resources Pty Ltd
Dunolly Goldfield (Victoria)			
MIN 5563	100%	Granted	Highlake Resources Pty Ltd

Note 1. MIN 5487 is being purchased by A1 Gold, subject to a binding Terms Sheet announced to the ASX on 11 August 2015. Transfer of 100% equity in the tenement is expected to occur before 30 November 2015. EL 4831 was nearing the date of expiry and surrendered during the quarter.

A1 Gold holds 100% equity in all of its exploration and mining licences. The Company has not entered into any farm-in or farm-out agreements.

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About the Company

A1 Consolidated Gold Ltd is an emerging junior Victorian gold producer that is developing the A1 Gold Mine near Woods Point and the Union Hill Mine at Maldon to mine ore for processing at the Company's fully permitted 150,000tpa Maldon gold processing facility.

As announced on 11 August 2015, the Company has also agreed to purchase the Eureka and Tubal Cain deposits near Walhalla South East of the A1 Gold Mine.

Location of Projects



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Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Sharp who is a member of The Australian Institute of Geoscientists. Mr Sharp 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 2012 Edition of the JORC Code. Mr Sharp 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.

Caution Regarding Forward Looking Information

This document contains forward looking statements concerning A1 Consolidated Gold Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties, and other factors. Forward looking statements are inherently subject to business, economic, competitive, political, and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on A1 Gold's beliefs, opinions and estimates of A1 Gold's as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

