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A1 CONSOLIDATED GOLD LIMITED

ACN 149 308 921

**Interim Financial Report
31 December 2014**

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DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Dale Rogers	Appointed 23 November 2014	Chairman (non-executive)
Dennis Clark		Managing Director
Dennis Wilkins	Appointed 22 November 2014	Director (non-executive)
Ashok Parekh	Resigned 22 November 2014	Former Chairman (non-executive)
Morrie Goodz	Resigned 22 November 2014	Former Director (non-executive)

Review of Operations

The Company's primary focus during the first half of the 2014-2015 financial year was continuing the development of its 100% owned A1 Gold Mine in north eastern Victoria.

Highlights achieved during the half-year are set out below.

Safety - A1 Gold Mine (MIN5294)

There were no lost time injuries during the first half of the 2014-2015 financial year.

The Company has achieved in excess of 210,000 hours lost time injury free (LTI) as of the end of December 2014.

Agreement to acquire Maldon Gold Operation

The Company announced on 24 November 2014 that it had entered into a binding Heads of Agreement with Octagonal Resources Limited (ASX:ORS) (**Octagonal**) to acquire Octagonal's Maldon Gold Operation, which includes a fully permitted 150,000 tpa gold processing facility at Maldon.

The formal Share Sale Agreement was executed on 29 December 2014. Under the terms of the Share Sale Agreement, the Company will acquire a 100% interest in three subsidiary companies holding the Victorian assets comprising the Maldon Gold Operation. Consideration for the purchase will be the issue to Octagonal of at least 169.7m AYC shares at 3.0 cents each (valued at \$5,090,182) and at least 56.5m listed AYCO options.¹

Mr Anthony Gray, (Octagonal's managing director), will join A1 Consolidated Gold's Board as a non-executive director.

Completion under the Share Sale Agreement is subject to, amongst other things,:

- shareholder approval by both the Company and Octagonal shareholders; and
- the Company raising \$2.4m,

by 30 April 2015 (or such other date agreed by the parties). Preparations are well underway to ensure these conditions are satisfied for completion.

Walhalla Tenements option

As announced on 29 August 2014, the Company has entered into an option agreement with Orion Gold NL (ASX:ORN) (**Orion**) to acquire Orion's Walhalla Tenements.

During the half-year ended 31 December 2014, the Company commenced exploration on the tenements and review of Orion's geological modelling and data. A successful exploration program will be the catalyst for the Company exercising the option and acquiring the Walhalla Tenements.

Production planning

During the period, the Company continued to review the development options for the A1 Gold Mine, including modifying the production plan to accommodate the acquisition of the Maldon Gold Operation, if completed.

¹ The Share Sale Agreement contemplates an adjustment to the number of shares and options to be issued to Octagonal if new shares are issued by the Company at a price less than \$0.03 per share prior to completion. The issue price of the shares issued at completion will not be more than \$0.03.

DIRECTORS' REPORT cont'd*Capital Raising*

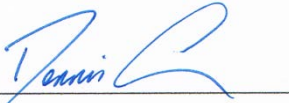
In October 2014, the Company undertook a pro rata renounceable entitlements offer of up to 154,598,081 shares on the basis of seven fully paid ordinary shares for every eight shares held by eligible shareholders on the record date, at an issue price of \$0.03 per share. The entitlements offer was partially underwritten, to \$2,200,000, by Patersons Securities Limited. The Company issued 73,333,334 shares to raise \$2,200,000 before costs (\$1,697,294 received in cash and \$502,706 as repayment of loans) and 51,532,693 underwriter options (exercisable at \$0.03 each on or before 30 November 2019).

In December 2014, the Company undertook a non-renounceable pro rata bonus issue of listed options (AYCO) on the basis of one listed option for every three shares held on the record date. No funds were raised by the bonus issue.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 3 and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Dennis Clark
Managing Director

13 March 2015

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of A1 Consolidated Gold Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
13 March 2015

L Di Giallonardo
Partner

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	31 December 2014 \$	31 December 2013 \$
Revenue	2	9,951	52,687
Accounting and taxation services		(41,260)	(30,000)
Auditor's remuneration		(13,000)	(12,350)
Company secretary fees		(49,066)	(46,705)
Consulting fees		-	(34,671)
Depreciation expense		(5,328)	(9,266)
Directors' fees		(59,954)	(110,613)
Due diligence – business acquisition		(109,009)	-
Employee benefits expense		(55,018)	(130,990)
Finance costs		(4,523)	(65,185)
Impairment of development costs	4	(12,842,007)	-
Insurance expense		(57,865)	(61,006)
Loss on disposal of fixed assets		(80,414)	(5,126)
Other expenses		(79,854)	(127,863)
Share registry and listing fees		(31,318)	(35,017)
Loss before income tax		(13,418,665)	(616,105)
Income tax expense		-	-
Loss for the period after income tax expense		(13,418,665)	(616,105)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(13,418,665)	(616,105)
Basic and diluted loss per share		(6.7) cents	(0.4) cents

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	31 December 2014 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents		596,803	232,027
Trade and other receivables		76,316	40,766
Other		14,711	54,899
Total current assets		687,830	327,692
Non-current assets			
Property, plant and equipment	3	1,762,116	2,013,897
Exploration, evaluation and development assets	4	19,637,647	31,485,900
Other		123,000	123,000
Total non-current assets		21,522,763	33,622,797
Total assets		22,210,593	33,950,489
Liabilities			
Current liabilities			
Trade and other payables		498,582	526,726
Borrowings		13,718	41,155
Employee entitlements		93,414	73,903
Share application funds pending allotment		40,800	40,071
Total current liabilities		646,514	681,855
Total liabilities		646,514	681,855
Net assets		21,564,079	33,268,634
Equity			
Issued capital	5	35,753,708	35,279,194
Reserves		3,453,278	2,213,682
Accumulated losses		(17,642,907)	(4,224,242)
Total equity		21,564,079	33,268,634

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013		30,928,204	1,990,806	(3,226,751)	29,692,259
Total comprehensive loss for the period		-	-	(616,105)	(616,105)
Shares issued during the half-year	5	3,956,855	-	-	3,956,855
Share issue costs		(103,183)	-	-	(103,183)
Balance at 31 December 2013		34,781,876	1,990,806	(3,842,856)	32,929,826
Balance at 1 July 2014		35,279,194	2,213,682	(4,224,242)	33,268,634
Total comprehensive loss for the period		-	-	(13,418,665)	(13,418,665)
Shares issued during the half-year	5	2,200,001	-	-	2,200,001
Share issue costs		(485,891)	-	-	(485,891)
Share-based payment	5	(1,239,596)	1,239,596	-	-
Balance at 31 December 2014		35,753,708	3,453,278	(17,642,907)	21,564,079

The accompanying notes form part of these financial statements

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**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	31 December 2014	31 December 2013
	\$	\$
	Inflow / (Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(340,537)	(498,578)
Interest received	5,859	18,545
Finance costs	(2,461)	(2,334)
Net cash used in operating activities	(337,139)	(482,367)
Cash flows from investing activities		
Proceeds from sale of non-current assets	-	45,963
Purchase of non-current assets	(11,717)	(24,519)
Refund of environmental bond	-	109,000
Exploration and evaluation expenditure	(135,413)	(281,664)
Development expenditure	(596,884)	(1,719,248)
Net cash used in investing activities	(744,014)	(1,870,468)
Cash flows from financing activities		
Proceeds from the issue of shares	1,697,295	3,238,698
Payment for share issue costs	(462,158)	(103,183)
Loans from directors and others	295,000	-
Repayment of borrowings	(84,937)	(27,049)
Share application monies received pending allotment	729	118,270
Net cash provided by financing activities	1,445,929	3,226,736
Net increase in cash and cash equivalents	364,776	873,901
Cash and cash equivalents at the beginning of the period	232,027	920,252
Cash and cash equivalents at the end of the period	596,803	1,794,153

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by A1 Consolidated Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The half-year financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company incurred a loss from ordinary activities of \$13,418,665 for the half-year ended 31 December 2014 (2013: \$616,105) and net cash outflows from operating activities of \$337,139 (2013: \$482,367).

The directors are of the opinion that the Company is a going concern for the following reasons:

- A condition precedent to the acquisition of the gold assets of Octagonal Resources Ltd at Maldon Victoria is completing a \$2.4 million fundraising by 30 April 2015 or such other date as agreed by the parties. The Company has raised \$800,000 in equity capital through shares placements since 31 December 2014.
- The Company continues to have ongoing discussions with an Investment Fund in respect to a share placement of \$1 million. The directors believe that the conditions precedent will be satisfied by the due date.
- A Management Agreement and Deed of Variation to the Share Sale Agreement with Octagonal Resources Limited has been entered into whereby the Company has taken management control of the Maldon gold operations. After completing an improvement and maintenance program to the Maldon mill the Company plans to commence treating the existing stockpile of development ore from the Alliance South Deposit with a view to generating revenue to pay for its mining activities two months earlier than contemplated under the original Share Sale Agreement.

The directors believe that the fundraising will be successful and will enable the Company to continue as a going concern. However, if the funds are not received, then other options to raise additional funds will need to be considered. In addition, without sufficient funds the Company will not acquire the Maldon gold operation and the Company will require further funding to enable it to commence Stage 1 mining at its A1 Gold Mine.

If the Company is unable to raise sufficient funds as noted above or from other sources, there exists a material uncertainty that may cast significant doubt whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets (especially its exploration, evaluation and development assets and its property, plant and equipment) and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'd****Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2014, the directors have reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2014, except for those relating to the impairment of the development costs of the A1 Gold Mine as set out in Note 4.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 2: REVENUE

	31 December 2014	31 December 2013
	\$	\$
Bank interest received	5,471	17,511
Fuel tax credits received	4,480	15,307
Profit on sale of fixed assets	-	19,869
	<u>9,951</u>	<u>52,687</u>

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	31 December 2014	30 June 2014
	\$	\$
Property, plant and equipment – at cost	2,665,356	2,784,202
Accumulated depreciation	(903,240)	(770,305)
Total property, plant and equipment net carrying amount	<u>1,762,116</u>	<u>2,013,897</u>
	Six months to 31 December 2014	Year to 30 June 2014
	\$	\$
Reconciliation of property, plant and equipment		
Carrying amount at beginning of period	2,013,897	2,374,638
Additions	16,595	41,567
Disposals	(91,293)	(31,220)
Depreciation	(177,083)	(371,088)
Carrying amount at end of period	<u>1,762,116</u>	<u>2,013,897</u>

NOTE 4: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

	Six months to 31 December 2014	Year to 30 June 2014
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	1,348,658	1,048,148
Acquisition costs (Walhalla option fee)	50,000	-
Exploration and evaluation costs incurred during the period	188,054	300,510
Balance at end of period	<u>1,586,712</u>	<u>1,348,658</u>
Development phase – at cost		
Balance at beginning of period	30,137,242	26,864,022
Development costs incurred during the period	755,700	3,273,220
Impairment of development costs	(12,842,007)	-
Balance at end of period	<u>18,050,935</u>	<u>30,137,242</u>
Total exploration, evaluation and development assets	<u>19,637,647</u>	<u>31,485,900</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**
NOTE 4: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS cont'd

The total impairment loss recognised in the statement of comprehensive income during the half-year amounted to \$12,842,007 (2013 \$Nil) separately presented as "Impairment of development costs". The impairment loss relates to the development costs of the A1 Gold Mine where the recoverable amount has been determined using the value in use methodology.

During the half-year the Company completed a Stage 1 Scoping Study of the A1 Gold Mine based on a three year mine life which contains the area of indicated mineral resource with a balance of inferred mineral resource. The results of this study were announced on 13 January 2015. Based on the Stage 1 Scoping Study the Company considers that value in use is currently better estimated using a three year period rather than a six year period of mine life previously used.

Accordingly, value in use has been estimated on the basis of discounted future cash flows of the A1 Gold Mine over a three year period with a discount rate of 12%.

The directors believe there is additional value in the remaining inferred mineral resource but this has not been valued until the Company is better able to quantify the resource. Stage 2 mining of the remaining inferred mineral resource will be dependent upon the results from an ongoing diamond drilling program aimed at increasing the level of confidence in a portion of the inferred resource. On completion of the diamond drilling program a Stage 2 Scoping Study will be completed with a view to continuing mining for a further 3 years.

NOTE 5: ISSUED CAPITAL

	31 December 2014	30 June 2014
	\$	\$
Ordinary shares		
Issued and fully paid	35,753,708	35,279,194

	Six months to 31 December 2014		Year to 30 June 2014	
	No.	\$	No.	\$
<i>Movement in ordinary shares on issue</i>				
Balance at beginning of period	176,683,522	35,279,194	138,208,921	30,928,204
Shares issued during the period for cash				
September 2013 – share placement	-	-	24,137,931	2,800,000
December 2013 – non-renounceable rights issue	-	-	3,781,881	438,698
February 2014 – share placement	-	-	1,724,138	200,000
February 2014 – non-renounceable rights issue	-	-	2,346,549	272,199
March 2014 – non-renounceable rights issue	-	-	206,896	24,000
June 2014 – non-renounceable rights issue	-	-	86,200	9,999
November 2014 – renounceable rights issue	56,576,474	1,697,294	-	-
December 2014 – exercise of listed options	17	1	-	-
Shares issued in lieu of directors' fees, superannuation and other amounts owing to related parties				
December 2013	-	-	6,191,006	718,157
November 2014	16,756,860	502,706	-	-
Share issue costs				
Expenses paid	-	(485,891)	-	(112,063)
Share base payment - underwriter options	-	(1,239,596)	-	-
Balance at end of period	250,016,873	35,753,708	176,683,522	35,279,194

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 5: ISSUED CAPITAL cont'd

	Six months to 31 December 2014		Year to 30 June 2014	
	No.	\$	No.	\$
<i>Movement in options over ordinary shares on issue</i>				
Balance at beginning of period*	28,667,667	2,213,682	28,666,667	1,990,806
Adjustment to previously recognised share-based payment	-	-	-	222,876
November 2014 – listed underwriter options**	51,532,693	1,239,596	-	-
December 2014 – listed loyalty options**	82,961,731	-	-	-
December 2014 - exercise of listed options	(17)	-	-	-
December 2014 – expiry of unlisted options	(28,667,667)	-	-	-
Balance at end of period	134,494,407	3,453,278	28,666,667	2,213,682

*Unlisted options which were exercisable on or before 31 December 2014 as follows:

- 26,667,666 at 40 cents and 2,000,000 at 42 cents

**Listed options are exercisable at 3 cents on or before 30 November 2019

NOTE 6: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the financial statements approximate their fair value.

NOTE 7: SEGMENT REPORTING

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker (considered to be the Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Company reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominantly in one segment being the mineral exploration sector in Victoria. Accordingly, under the "management approach", only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 9: RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that were entered into with related parties for the six months to 31 December 2014 and six months to 31 December 2013. For details of the relationship of the related parties refer to the annual report for the year ended 30 June 2014.

Related party	31 December	Income from Related parties \$	Expenditure related parties \$	Amounts owed by related parties \$	Amounts owed to related parties \$
Entities with significant influence over the Company:					
Gaffney's Creek Gold Mine Pty Ltd	2014	-	-	-	-
	2013	-	-	-	-
Director related parties					
Transactions with directors for:					
- Salary and superannuation					
D J Clark	2014	-	144,391	-	24,486
	2013	-	143,887	-	286,470
D Russell-Croucher (resigned 30/9/2013)	2014	-	-	-	-
	2013	-	59,117	-	-
- Directors' fees and superannuation					
J W Williams (resigned 30/9/2013)	2014	-	-	-	-
	2013	-	13,656	-	-
G Wardle (resigned 30/9/2013)	2014	-	-	-	-
	2013	-	54,624	-	-
P Chen Hing Woon (appointed 30/9/2013)	2014	-	-	-	-
	2013	-	10,925	-	10,925
Other related parties					
A1 Consolidated Mining Pty Ltd	2014	-	15,068	-	8,183
	2013	-	71,560	-	249,767
Ashok Parekh & Co Pty Limited	2014	-	32,850	-	36,135
	2013	-	61,450	-	145,212
Goodz & Associates GMC Pty Ltd	2014	-	17,520	-	19,272
	2013	-	42,578	-	9,112
D W Corporate Pty Ltd	2014	-	228,710	-	65,536
	2013	-	46,705	-	3,174
Mrs J Russell-Croucher (to 30/9/2013)	2014	-	-	-	-
	2013	-	3,000	-	-
Peregrine Enterprises Pty Limited (related to D Rogers – appointed 24/11/14)	2014	-	6,250	-	6,875
	2013	-	-	-	-

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 10: MALDON ACQUISITION**

A Share Sale Agreement between the Company and Octagonal Resources Limited was executed on 29 December 2014. Under the Share Sale Agreement the Company will acquire Octagonal's Victorian assets including the 150,000 tpa Maldon Treatment Plant at Maldon, Victoria via the purchase of all the issued capital of three of Octagonal's subsidiaries.

The acquisition is conditional upon satisfaction of various conditions including:

- Shareholder approval by both the Company and Octagonal shareholders, and
- The Company successfully completing a \$2.4 million fundraising within 3 business days of the above shareholder approval meeting.

The conditions precedent must be fulfilled or waived by 30 April 2015 (or such other date agreed by the parties). Preparations are well underway to ensure these conditions are satisfied for completion.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

An updated Stage 1 Scoping Study of the Company's 100% owned A1 Gold Mine in north-eastern Victoria was announced on 13 January 2015. The update has been prepared on the assumption that the acquisition of Octagonal's Victorian gold assets is completed. For further information see ASX announcements on 24 November 2014, 29 December 2014 and 13 January 2015.

On 9 February 2015 the Company and Octagonal entered into a Management and Deed of Variation to the Share Sale Agreement, whereby the Company has taken management control of the Maldon Gold Operations whilst both companies work towards completion of the Share Sale Agreement. After completing an improvement and maintenance program to the Maldon mill the Company plans to commence treating the existing stockpile of development ore from the Alliance South Deposit with a view to generating revenue to pay for its mining activities two months earlier than contemplated under the original Share Sale Agreement.

After the reporting date, the Company has raised \$800,000 of equity capital by the issues of fully paid ordinary shares at \$0.03 per share as follows:

- On 23 January 2015 the Company made a placement of the entitlements offer shortfall to raise \$500,000
- On 9 February 2015 another placement was made by the Company to raise \$300,000

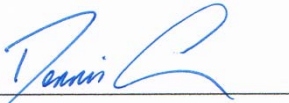
Apart from the above, no matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of A1 Consolidated Gold Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Dennis Clark
Director

13 March 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of A1 Consolidated Gold Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of A1 Consolidated Gold Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A1 Consolidated Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the company to continue as a going concern is principally dependent upon its ability to raise sufficient funds from various sources. Should the company be unable to raise sufficient funds, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2015



L Di Giallonardo
Partner

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