



# A1 Consolidated Gold

**ASX Release – 31<sup>st</sup> January 2014**

## Quarterly Activities Report

**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

Mineral Resources in accordance with the JORC Code (2004)

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

Developing decline at approx 100 metres per month

### Board of Directors:

#### Chairman

Ashok Parekh

#### Managing Director

Dennis Clark

#### Non-Executive Directors

Morrie Goodz

Peter Chen

#### Joint Company Secretary

Emma Walczak

Dennis Wilkins

### Capital Structure:

172,319,739 ordinary shares

28,666,667 unlisted options

### Contact:

Emma Walczak

Dennis Wilkins

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[info@a1consolidated.com.au](mailto:info@a1consolidated.com.au)

A1 Consolidated Gold Limited (ASX: AYC) is pleased to report its activities for the Quarter ending 31st December 2013.

### Highlights:

- ❖ **Non-renounceable Rights Issue to raise \$1.7m**
- ❖ **Development Mining ongoing at A1 Gold Mine**

During the December Quarter, A1 Consolidated Gold Limited (ASX: AYC) announced that, in conjunction with underwriters FSS Advisory Pty Ltd, it will conduct a fully underwritten non-renounceable rights issue to shareholders on the basis of 1 new share for every 11 held at the record date at \$0.116 each to raise approximately \$1.7m (before costs) ("Rights Issue").

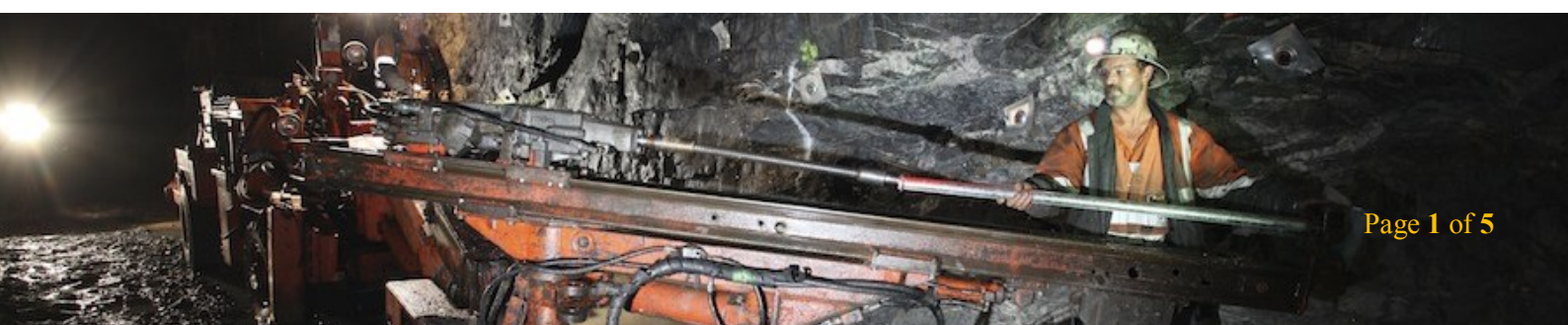
The funds will be used by the Company for working capital purposes and to assist with the further development of the A1 Gold Mine. Funds raised through the rights issue will primarily be used for:

- Development and production mining from the 1400 Stockwork Zone, and
- Underground Diamond Drill program to further delineate and upgrade the categories of the 1400 Stockwork Zone resource.

The Rights Issue has been extended to 31<sup>st</sup> January 2014. The dates are indicative only and the Company reserves the right to vary them in consultation with the Underwriter and in accordance with the requirements of the ASX Listing Rules.

### Managing Directors Comments

Managing Director Dennis Clark said "The Company continues to work hard developing its 100% owned A1 Gold Mine and is focussed on bringing the 1400 Stockwork Zone into production."

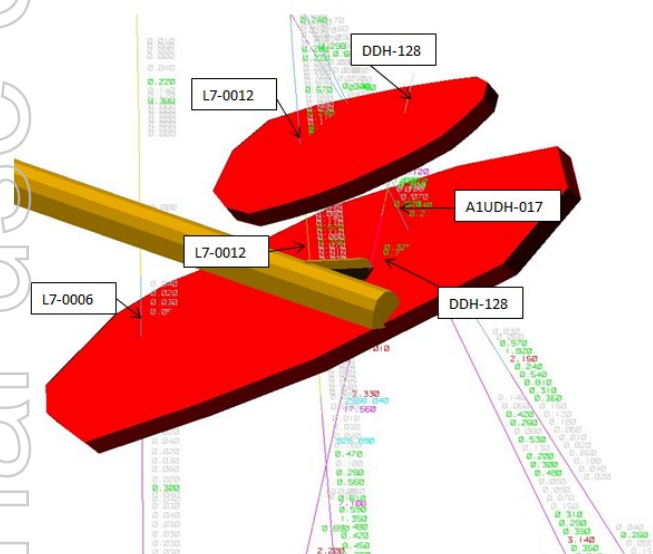




## Development Mining

During the December Quarter, the Company has progressed the development of the Decline towards the planned initial two stopes in the 1400 Stockwork Zone.

These first two planned stopes have a series of high grade diamond drill intersections and the mine design is targeting this area for production mining.



### Intercept Highlights

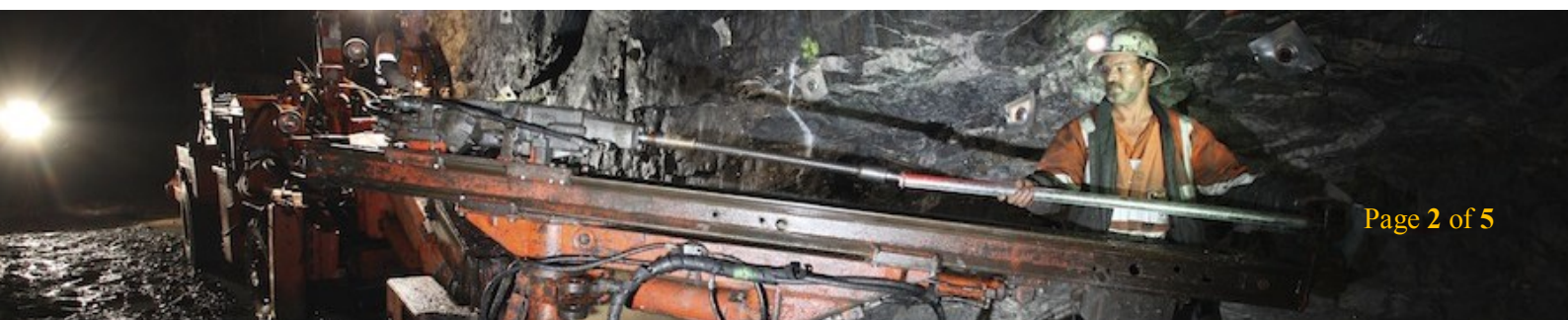
- ◆ L7-0006  
1.0m @ 103.2 g/t
- ◆ L7-0012  
0.5m @ 148.9 g/t
- ◆ DDH-128  
0.2m @ 85.5 g/t  
0.2m @ 569.6 g/t  
0.3m @ 71.6 g/t
- ◆ A1UDH-017  
1.0m @ 6.5 g/t  
(Drill Data Table Below)

(Figure is a screen capture and not to be scaled, but for illustration purposes only)

Figure 1: Isometric View of Planned stopes and Drill Intercepts

### Drill Data Table

| Hole ID   | Azimuth | Dip    | From (m) | To (m) | Interval (m) | Grade g/t Au |
|-----------|---------|--------|----------|--------|--------------|--------------|
| L7-0006   | 183.3   | - 87.9 | 241.00   | 242.00 | 1.00         | 103.2        |
| L7-0007   | 244.9   | - 85.0 | 218.00   | 218.50 | 0.50         | 148.9        |
| DDH-128   | 351.0   | + 60.0 | 57.66    | 57.86  | 0.20         | 85.5         |
| DDH-128   | 351.0   | + 60.0 | 58.93    | 59.13  | 0.20         | 569.6        |
| DDH-128   | 351.0   | + 60.0 | 79.83    | 80.14  | 0.31         | 71.6         |
| A1UDH-017 | 290.6   | - 63.9 | 215.00   | 216.00 | 1.00         | 6.56         |





## Safety

### A1 Gold Mine (MIN5294)

There were no lost time injuries during the quarter.

The Company has achieved in excess of 172,000 hours lost time injury free (LTI) at the end of the December Quarter.

### 1400 Stockwork Resource Block

The 1400 Stockwork Zone represents a bulk mineable block located below the 1500mRL at the A1 Gold Mine in North-eastern Victoria.

The JORC Mineral Resource has been upgraded in both size and classification to:-

135% increase in total resources to 1.4Mt @ 6.2 g/t Gold for 281,200 oz Gold <sup>(1,2)</sup>, as follows:

- Indicated Mineral Resource 250,000t @ 5.1 g/t Gold
- Inferred Mineral Resource 1,170,000t @ 6.4 g/t Gold

Reported in accordance with The JORC Code (2004), the resource is classified as an

**Indicated and Inferred Mineral Resource** <sup>(1)</sup> as follows:

| Class        | Tonnes           | Au g/t     | Au Ounces      |
|--------------|------------------|------------|----------------|
| Indicated    | 250,000          | 5.1        | 41,200         |
| Inferred     | 1,170,000        | 6.4        | 240,000        |
| <b>Total</b> | <b>1,420,000</b> | <b>6.2</b> | <b>281,200</b> |

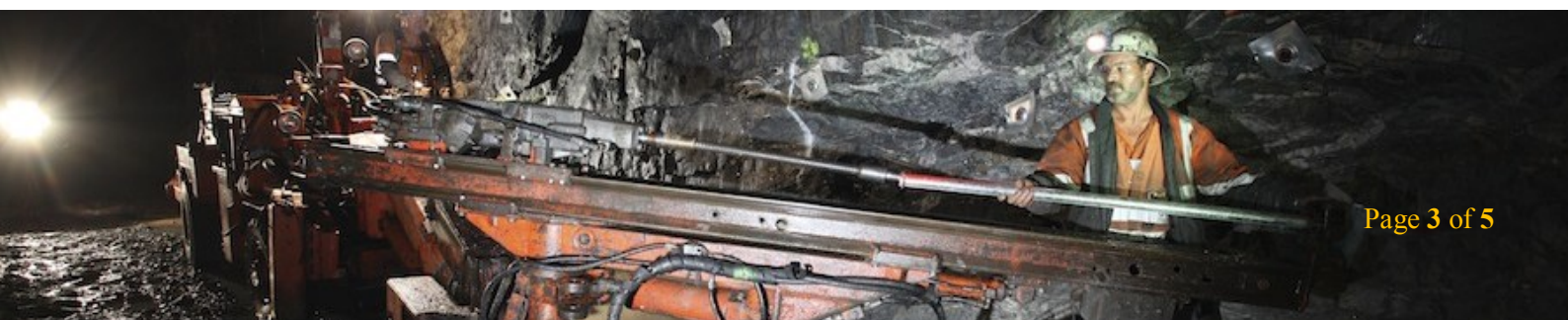
*Note: Blocks reported where Au >=3.0g/t, between 1000mRL and 1500mRL. Datamine model a1\_113md. The model has been depleted due to underground mining. Differences may occur due to rounding.*

Table 1: 1400 Stockworks Mineral Resource

<sup>(1)</sup> 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 Mineral Resources as a Measured Mineral Resource or an Ore Reserve. It is uncertain if further exploration will result in upgrading the Mineral Resources to a Measured Mineral Resource category or to an Ore Reserve.

### 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 2004 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.







## Tenement Holdings and Movements

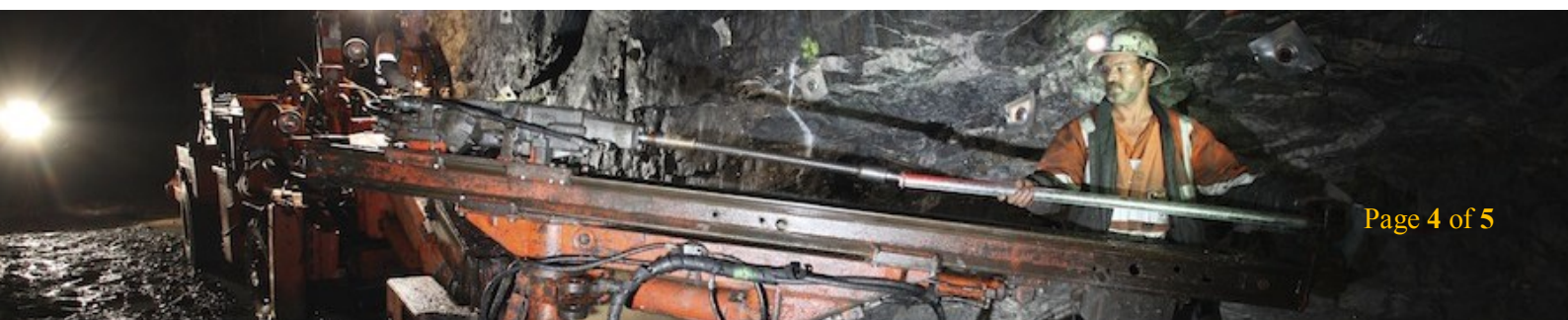
Below is a schedule to mining tenements and beneficial interests held as at the end of the December 2013 Quarter:

### Mining Tenements

| Tenement Reference | Location                                                                                  | Interest at beginning of quarter | Acquired/Disposed | Interest at end of quarter |
|--------------------|-------------------------------------------------------------------------------------------|----------------------------------|-------------------|----------------------------|
| MIN 5294           | A1 Gold Project, Victoria                                                                 | 100%                             | N/A               | 100%                       |
| EL 5109            | Ten Mile Goldfield, Victoria<br>(incorporating Star of the West Mine, previously MIN4636) | 100%                             | N/A               | 100%                       |

### Beneficial percentage interests held in farm-in or farm-out agreements

| Tenement Reference | Location | Interest at beginning of quarter | Acquired/Disposed | Interest at end of quarter |
|--------------------|----------|----------------------------------|-------------------|----------------------------|
| Nil                | N/A      | N/A                              | N/A               | N/A                        |





## 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 4). The Company has also acquired two mineral tenements to the north of the A1 Gold Mine for further exploration. A1 Consolidated Gold is currently undertaking underground development at the A1 Gold Mine. The mining design is for a bulk mineable block.

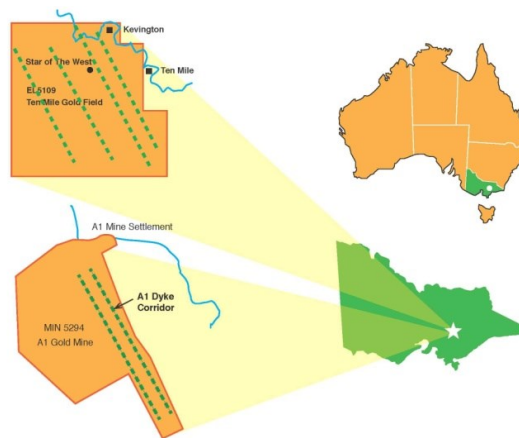


Figure 4: Location of Tenements

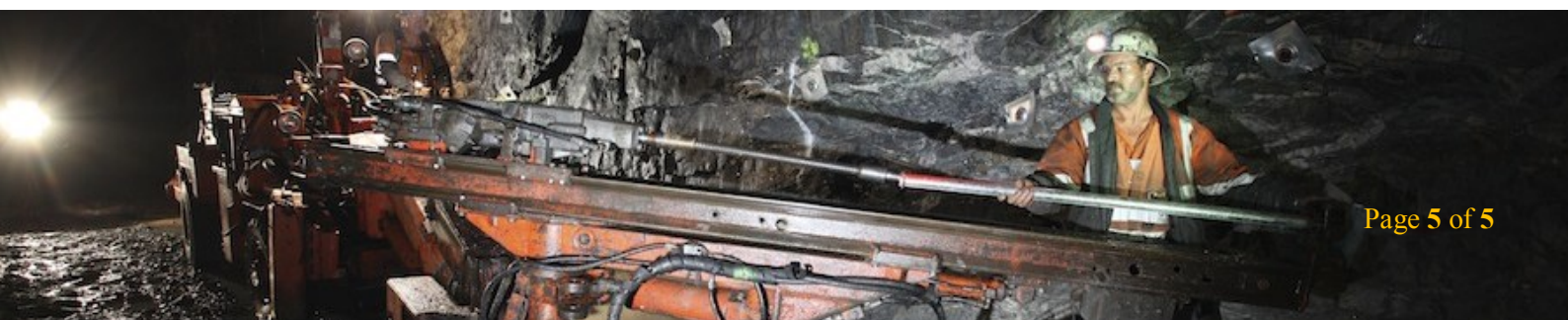
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### Forward Looking Statements

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")

31 DECEMBER 2013

### Consolidated statement of cash flows

|                                                   |                                                            | Current quarter | Year to date<br>( 6 months) |
|---------------------------------------------------|------------------------------------------------------------|-----------------|-----------------------------|
|                                                   |                                                            | \$A'ooo         | \$A'ooo                     |
| <b>Cash flows related to operating activities</b> |                                                            |                 |                             |
| 1.1                                               | Receipts from product sales and related debtors            | -               | -                           |
| 1.2                                               | Payments for (a) exploration & evaluation                  | (91)            | (282)                       |
|                                                   | (b) development                                            | (1,110)         | (1,719)                     |
|                                                   | (c) production                                             | -               | -                           |
|                                                   | (d) administration                                         | (315)           | (472)                       |
| 1.3                                               | Dividends received                                         | -               | -                           |
| 1.4                                               | Interest and other items of a similar nature received      | 14              | 18                          |
| 1.5                                               | Interest and other costs of finance paid                   | (1)             | (2)                         |
| 1.6                                               | Income taxes paid                                          | -               | -                           |
| 1.7                                               | Other – GST                                                | (61)            | (26)                        |
|                                                   | <b>Net Operating Cash Flows</b>                            | <b>(1,564)</b>  | <b>(2,483)</b>              |
| <b>Cash flows related to investing activities</b> |                                                            |                 |                             |
| 1.8                                               | Payment for purchases of: (a) prospects                    | -               | -                           |
|                                                   | (b) equity investments                                     | -               | -                           |
|                                                   | (c) other fixed assets                                     | (25)            | (25)                        |
| 1.9                                               | Proceeds from sale of: (a) prospects                       | -               | -                           |
|                                                   | (b) equity investments                                     | -               | -                           |
|                                                   | (c) other fixed assets                                     | -               | 46                          |
| 1.10                                              | Loans to other entities                                    | -               | -                           |
| 1.11                                              | Loans repaid by other entities                             | -               | -                           |
| 1.12                                              | Other – Bonds refunded                                     | -               | 109                         |
|                                                   | <b>Net investing cash flows</b>                            | <b>(25)</b>     | <b>130</b>                  |
| 1.13                                              | Total operating and investing cash flows (carried forward) | (1,589)         | (2,353)                     |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |                                                            |                |              |
|------|------------------------------------------------------------|----------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,589)        | (2,353)      |
|      | <b>Cash flows related to financing activities</b>          |                |              |
| 1.14 | Proceeds from issues of shares, options, etc.              | 439            | 3,239        |
| 1.15 | Proceeds from sale of forfeited shares                     | -              | -            |
| 1.16 | Proceeds from borrowings                                   | -              | -            |
| 1.17 | Repayment of borrowings                                    | (13)           | (27)         |
| 1.18 | Dividends paid                                             | -              | -            |
| 1.19 | Other – share funds pending allotment                      | 118            | 118          |
|      | Other – capital raising costs                              | (103)          | (103)        |
|      | <b>Net financing cash flows</b>                            | <b>441</b>     | <b>3,227</b> |
|      | <b>Net increase (decrease) in cash held</b>                | <b>(1,148)</b> | <b>874</b>   |
| 1.20 | Cash at beginning of quarter/year to date                  | 2,942          | 920          |
| 1.21 | Exchange rate adjustments to item 1.20                     | -              | -            |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>1,794</b>   | <b>1,794</b> |

**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<br>\$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 127                        |
| 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 | 10      |
| Company secretary fees            | 41      |
| Directors fees                    | 51      |
| Salaries                          | 22      |
| Minor Other                       | 3       |

**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

NIL

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**

+ See chapter 19 for defined terms.

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$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 | 75         |
| 4.2 Development                | 700        |
| 4.3 Production                 | -          |
| 4.4 Administration             | 195        |
| <b>Total</b>                   | <b>970</b> |

### 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 591                        | 33                          |
| 5.2 Deposits at call                             | 1,203                      | 2,909                       |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>1,794</b>               | <b>2,942</b>                |

### Changes in interests in mining tenements

|                                                                   | Tenement<br>reference | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-------------------------------------------------------------------|-----------------------|----------------------------------|----------------------------------------|----------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | -                     | -                                | -                                      | -                                |
| 6.2 Interests in mining tenements acquired or increased           | -                     | -                                | -                                      | -                                |

+ See chapter 19 for defined terms.



**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.*

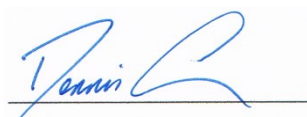
|      |                                                                                                                            | Total number            | Number quoted   | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents)           |
|------|----------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|-----------------------------------------------|------------------------------------------------------------|
| 7.1  | <b>Preference securities</b><br><i>(description)</i>                                                                       | Not applicable          |                 |                                               |                                                            |
| 7.2  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                         |                 |                                               |                                                            |
| 7.3  | <b>+Ordinary securities</b>                                                                                                | 172,319,739             | 93,103,069      | Fully paid                                    | Fully paid                                                 |
| 7.4  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 9,972,887<br>-          | 34,110,818<br>- | -                                             | -                                                          |
| 7.5  | <b>+Convertible debt securities</b><br><i>(description)</i>                                                                | Not applicable          |                 |                                               |                                                            |
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |                         |                 |                                               |                                                            |
| 7.7  | <b>Options</b><br><i>(description and conversion factor)</i>                                                               | 26,666,667<br>2,000,000 | -<br>-          | <i>Exercise price</i><br>40 cents<br>42 cents | <i>Expiry date</i><br>31 December 2014<br>31 December 2014 |
| 7.8  | Issued during quarter                                                                                                      | -                       | -               | -                                             | -                                                          |
| 7.9  | Exercised during quarter                                                                                                   | -                       | -               | -                                             | -                                                          |
| 7.10 | Expired during quarter                                                                                                     | -                       | -               | -                                             | -                                                          |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>                                                                                  | Not applicable          |                 |                                               |                                                            |

+ See chapter 19 for defined terms.

|      |                                               |                |  |
|------|-----------------------------------------------|----------------|--|
| 7.12 | <b>Unsecured notes</b> ( <i>totals only</i> ) | Not applicable |  |
|------|-----------------------------------------------|----------------|--|

## 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 give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31/01/2014  
(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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+ See chapter 19 for defined terms.

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