



# 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

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

### Technical Director

Darren Croucher

### Executive Director

Glenn Wardle

### Non-Executive Directors

Morrie Goodz

Jeff Williams

### Joint Company Secretary

Emma Walczak

Dennis Wilkins

## Capital Structure:

138,208,921 ordinary shares

28,666,667 unlisted options

## Contact:

Emma Walczak

Dennis Wilkins

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## ASX Release – 31<sup>st</sup> July 2013

### Quarterly Activities Report

A1 Consolidated Gold Limited (ASX: AYC) is pleased to report its activities for the Quarter ending 30th June 2013.

## Highlights:

- ❖ **Decline reaches 1400 Stockwork Zone Resource Block**
- ❖ **Discovery of Alans Reef**
- ❖ **Underground Diamond Drilling**

## Managing Directors Comments

Managing Director Dennis Clark said "It has been one year since AYC listed on the ASX on June 21<sup>st</sup> 2012. Since listing, AYC has been focussed on advancing the underground Decline towards the 1400 Stockwork Zone at the A1 Gold Mine. Works completed include mine development, surface and underground diamond drilling programs.

"Development of the Underground Decline has successfully reached the upper portion of the resource block on time and on budget."

"This achievement has been demarcated through the intersection of a 1.8m thick laminated quartz vein rich in sulphide mineralisation. Surveying has confirmed this reef is a new discovery and the Company has elected to name the reef as Alans Reef in recognition of Alan Prothero, who was underground Manager in the 1960's and instrumental in discovering the fabulous Moon-Apollo Reef intersection."

"During the Quarter, the Company continued an underground diamond drilling program with the aim of converting the JORC Resource into a higher category. Logging and assaying of the core is currently underway and will be completed in the next quarter."

"I'm pleased with the progress that has been made at the A1 Gold Mine and look forward to bringing our Company into production."





## Decline Reaches 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>(1,2)</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 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.

<sup>(2)</sup> 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.

### 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.





## Decline reaches 1400 Stockworks Resource Block in June 2013

The Company has developed the Underground Decline at the A1 Gold Mine on time and on budget. In June 2013, the decline development has reached the upper portion of the resource block. This achievement has been demarcated through the intersection of a 1.8m thick laminated quartz vein rich in sulphide mineralisation.

### A1 Gold Mine (MIN5294)

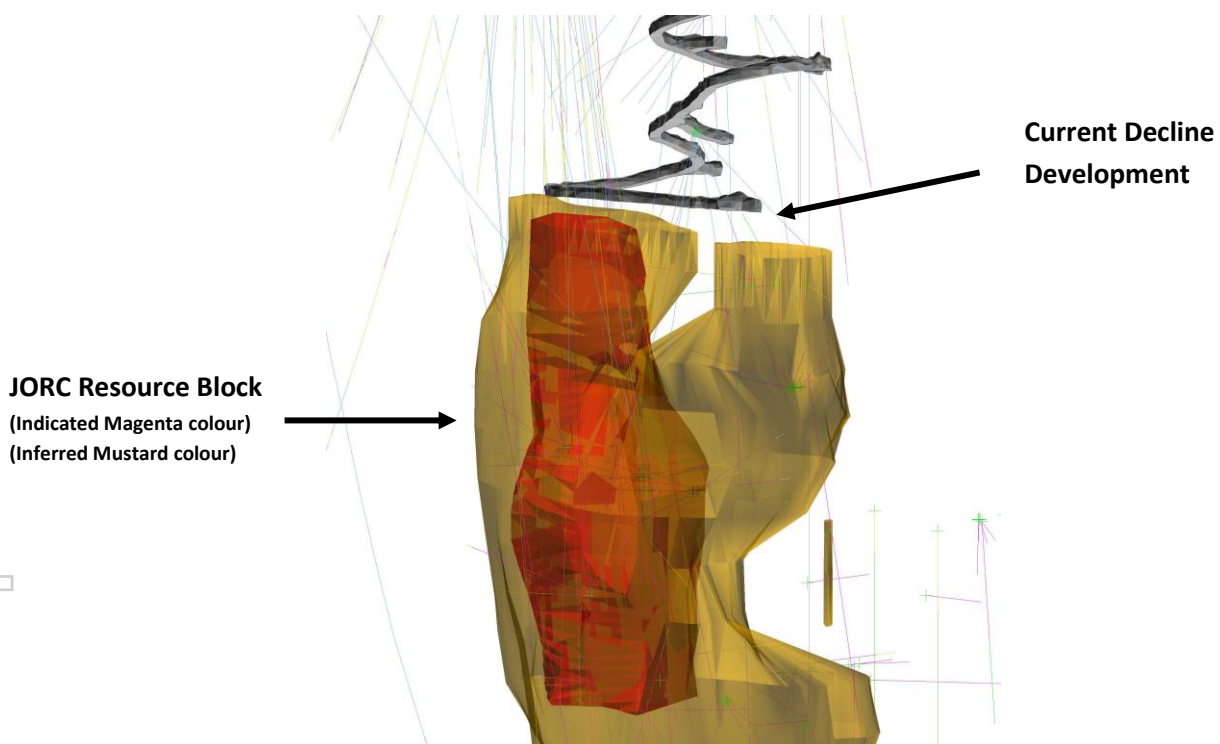
#### Safety

There were no lost time injuries during the quarter.

The Company has achieved in excess of 150,000 hours lost time injury free (LTI) at the end of the June quarter.

#### Decline Development

Figure 1 is an isometric view showing the 1400 Stockwork Zone Resource Block in relation to the current decline development.



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

Figure 1: Isometric View of Decline Development

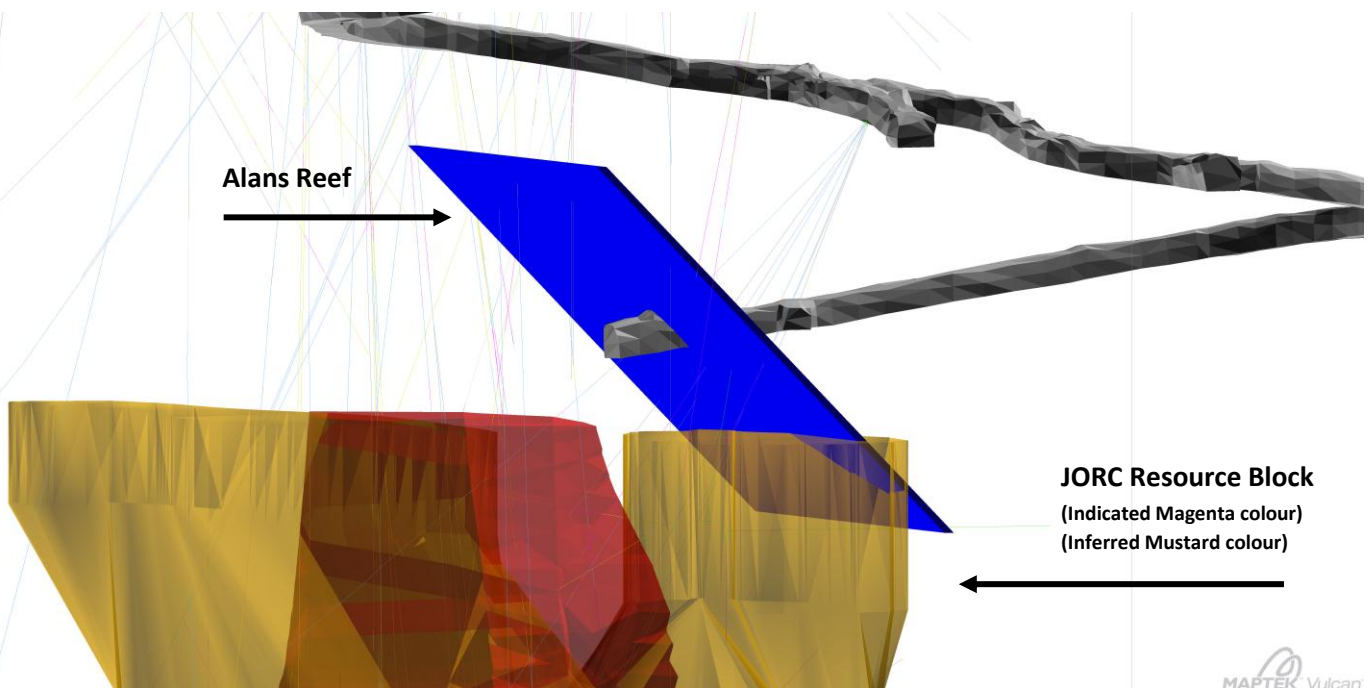




## Alans Reef

As part of the Underground Decline development, the Company has intersected a major structure. This quartz reef has been named Alans Reef in recognition of Alan Prothero. Alan was Underground Manager at the A1 Mine in the late 1960's and was instrumental in discovering the fabulous Moon-Apollo reef intersection.

The Company has viewed this new reef as an opportunity to bring forward some mine development / production options and is currently undertaking lateral development along Alans Reef.



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

Figure 2: Isometric View of Alans Reef





## Alans Reef



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

Figure 3: Photo of Alans Reef

Dennis Clark, Managing Director AYC (left)  
Brian Prothero (Alan's son)





## 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.

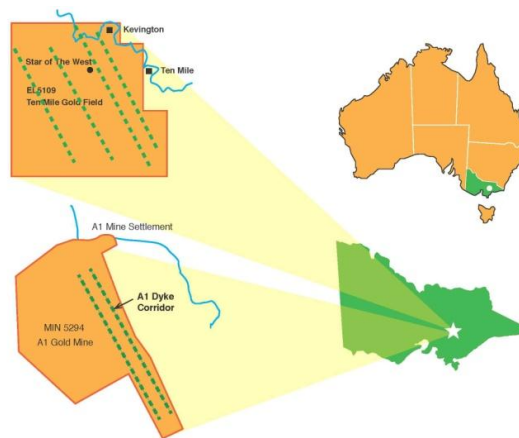


Figure 4: Location of Tenements

### 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.

### 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 2013

### 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	(150)	(4,231)
	(b) development	(1,401)	(1,981)
	(c) production	-	-
	(d) administration	(234)	(833)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	164
1.5	Interest and other costs of finance paid	(1)	(4)
1.6	Income taxes paid	-	-
1.7	Other – GST	(9)	181
	<b>Net Operating Cash Flows</b>	<b>(1,780)</b>	<b>(6,704)</b>
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(23)	(442)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	4
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Bonds lodged	(1)	(124)
	<b>Net investing cash flows</b>	<b>(24)</b>	<b>(562)</b>
1.13	Total operating and investing cash flows (carried forward)	(1,804)	(7,266)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(1,804)	(7,266)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	54	54
1.17	Repayment of borrowings	(18)	(59)
1.18	Dividends paid	-	-
1.19	Other - Capital raising costs	-	(16)
	- Miscellaneous	2	6
	<b>Net financing cash flows</b>	<b>38</b>	<b>(15)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,766)</b>	<b>(7,281)</b>
1.20	Cash at beginning of quarter/year to date	2,686	8,201
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>920</b>	<b>920</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 \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	208
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	25
Directors fees and superannuation	18
Company secretary fees	15
Salaries and superannuation	150

**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 \$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	-
4.2 Development	300
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>450</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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	30	45
5.2 Deposits at call	890	2,641
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>920</b>	<b>2,686</b>

### 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	-	-	-	-

+ 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> (description)	Not applicable			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	138,208,291	58,992,251	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5	<b>+Convertible debt securities</b> (description)	Not applicable			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	26,666,667 2,000,000	- -	Exercise price 40 cents 42 cents	Expiry date 31 December 2014 31 December 2014
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	Not applicable			

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )	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 give a true and fair view of the matters disclosed.

Sign here:

  
(Company secretary)

Date: 31 July 2013

Print name: Dennis Wilkins

## 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.