

21 June 2012

A1 Consolidated Gold Limited begins trading on ASX



Victorian-based near-term gold producer and explorer A1 Consolidated Gold Limited (**A1 Consolidated Gold** or the **Company**) (ASX: AYC) has today listed on the Australian Securities Exchange (ASX) after an initial public offering (IPO) raised approximately \$8.1 million before issue costs.

A1 Consolidated Gold closed its IPO on 29 May 2012 following a strong response from Australian institutional and high net worth investors. Patersons Securities Limited acted as Lead Manager to the IPO.

The Company issued approximately 26.97 million shares at 30 cents per share to raise approximately \$8.1 million. The Company has 138.2 million shares on issue, giving it an undiluted market capitalisation of \$41.5 million. At the time of listing the Company will have circa \$8 million in cash and no debt.

The Company's projects consist of the underground A1 Gold Mine, Ten Mile Goldfield and Star of the West Gold Mine, which are located in the Woods Point-Walhalla goldfield, approximately 120km north east of Melbourne, Victoria.

Funds raised through the IPO will be used to fund on going mine development including the underground decline and mine definition drilling.

EXPLORATION TARGETS

Based on historical development, bulk and face sampling, exposure of stockworks in underground development and diamond drilling the Company has identified three gold exploration targets at its A1 Gold Mine. They are:

- The 1650 Level Stockworks (650 vertical metres above sea level) with an exploration target in the range of **70,000-100,000 tonnes** with a **grade range of 5-11 g/t Au**.¹
- The Upper 1400 Level Stockworks (400 vertical metres above sea level) with an exploration target in the range of **1.0-1.3 million tonnes** with a **grade range of 5-11 g/t Au** and the Lower 1400 Level Stockworks with a range of **0.8-1.0 million tonnes** and a **grade range of 3-9 g/t Au**.¹
- The 1400 Level Stockworks Northern Extension with an exploration target in the range of **4-6 million tonnes** with a **grade range of 3-11 g/t Au**.¹

¹References to exploration target size and target mineralisation in this report are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further development and exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

The Company is seeking to convert the exploration targets above into JORC compliant resources and has a \$1.1 million budget across two years for mine definition and exploration drilling.

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THE 1650 LEVEL STOCKWORKS – NEAR TERM GOLD PRODUCTION

The path of the decline at the A1 Gold Mine has been designed to pass through the mineralised diorite dyke host structure (refer to Figure 1) as it is progressed to the 1400 Level, which has allowed the Company to mine and stockpile gold-bearing material on site ready for treatment.

The decline is currently at the 1600 Level and is being developed at approximately 100m per month. Management expect to reach the 1400 Level stockworks by the end of July 2013, providing access to greater tonnage.

In February 2012, the Company entered into a toll treatment agreement with Maldon Resources Pty Ltd (a related entity of Octagonal Resources Limited (ASX: ORS)) to treat up to 50,000 tonnes per year of material mined from the A1 Mine at its Maldon Gold Processing Plant in central Victoria. Trucking and stockpiling commenced in May 2012 (refer to Figure 2) and initial treatment commenced on 31 May 2012. First gold pour is expected in July 2012.

THE 1400 LEVEL STOCKWORKS

The Company's primary focus is reaching the known gold bearing stockworks at the 1400 level. Significant historical exploration drilling at the 1400 Level has returned more than 70 diamond drill intercepts with grades greater than 8 g/t Au. The Company has a JORC exploration target of 1.0-1.3Mt at 5 to 11 g/t Au² at the 1400 Level and expects to announce a maiden JORC resource statement for the 1400 Level before the end of July 2012.

²References to exploration target size and target mineralisation in this report are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further development and exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

IPO COMPLETION

A1 Consolidated Gold's Managing Director Mr Dennis Clark said the Company was pleased to have raised sufficient funds to proceed with capital development works with the aim of achieving gold production from its flagship A1 Gold Mine. The mine is fully operational, with significant underground development already undertaken and all necessary site infrastructure in place.

"The successful completion of the IPO given the extremely challenging market conditions is a particularly positive outcome for all involved," he said.

"We look forward to regularly updating investors as drilling results, development works and production numbers come to hand in the coming months.

"The mine is the second largest gold producer in the region and has historically produced around 620,000oz gold at exceptionally high grades. The Company looks forward to further adding to this production figure whilst working in a socially and environmentally responsible manner.

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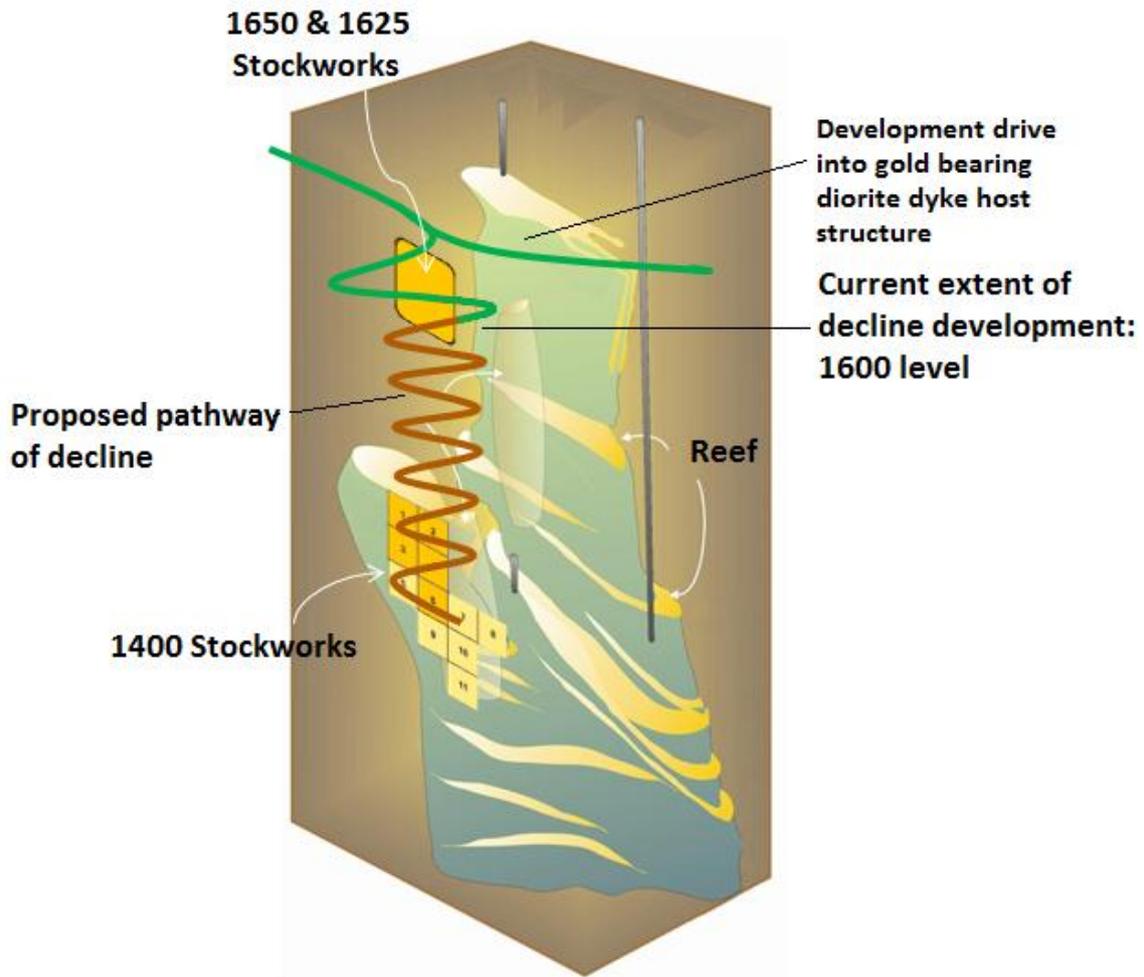


Figure 1: A1 Gold Mine decline development

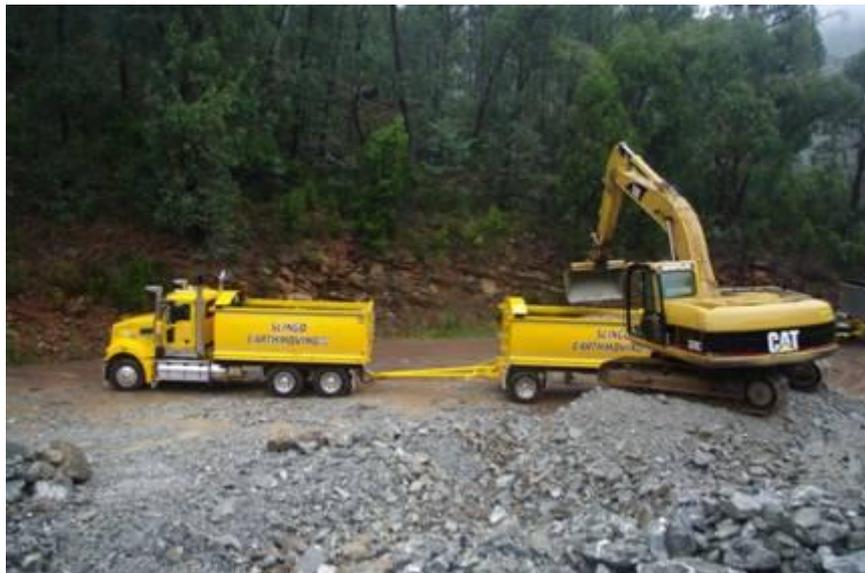


Figure 2: Trucks being loaded ready to Maldon Gold Processing Plant

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Figure 3: The entry to the decline – material being brought to surface

About A1 Consolidated Gold Ltd

A1 Consolidated Gold Ltd is a junior gold exploration and production company focused on developing the A1 Gold Project in the Woods Point-Walhalla Goldfield located in north-eastern Victoria. The Company has also acquired a further two mineral tenements in the Woods Point-Walhalla Goldfield area for further exploration. A1 Consolidated is currently developing a production decline to known gold bearing stockworks at the 1400 Level within the existing mine and expects to reach this zone by July 2013.

In developing the decline, the Company has intersected a gold-bearing dyke structure at the 1650 and 1625 Levels and has commenced production mining from these areas, with first gold production anticipated in July 2012.

Competent Persons Statement

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

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

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of A1 Consolidated Gold's operations contain or comprise certain forward looking statements regarding A1 Consolidated Gold's exploration operations, economic performance and financial condition. Although A1 Consolidated Gold 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.

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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, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, 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 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.

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