



# 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

Inferred Mineral Resource in accordance with the JORC Code of 133,000 oz Gold 750,000 tonnes @ 5.5 g/t Au<sup>(1)</sup>

Developing decline at approx 100 metres per month – stockpiling gold bearing material on site

### Board of Directors:

#### Chairman

Ashok Parekh

#### Managing Director

Dennis Clark

#### Technical Director

Darren Croucher

#### Non-Executive Directors

Morrie Goodz

Glenn Wardle

Jeff Williams

#### Joint Company Secretary

Emma Walczak

Dennis Wilkins

### Capital Structure:

138,208,921 ordinary shares

26,666,667 unlisted options

### Contact:

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## Company's Activity Update

### 21st December 2012

Dear Shareholder,

Today, the 21<sup>st</sup> of December 2012, it will be 6 calendar months since the Company successfully raised \$8.1 million and listed on the ASX.

During this time your Company has made significant development progress at our flagship A1 Gold Project that will position it to take advantage of the strong gold price in 2013.

The Board and senior management are continuing to work hard to ensure shareholder value growth.

- The decline development is on time and budget, due to reach the 1400 Stockwork Zone by June 2013, which will allow for an increased rate of mining.
- Underground exploration drilling has intersected mineralised stockwork dyke immediately to the north of the current decline development.
- Surface Drilling of the Northern Extension has intersected the dyke corridor at a down hole width of circa 30.0m.
- Geological modelling has identified a possible repetition of the main central dyke bulge in the Southern Extension.
- Production to commence in Q1 2013 following the commissioning of the gravity circuit.





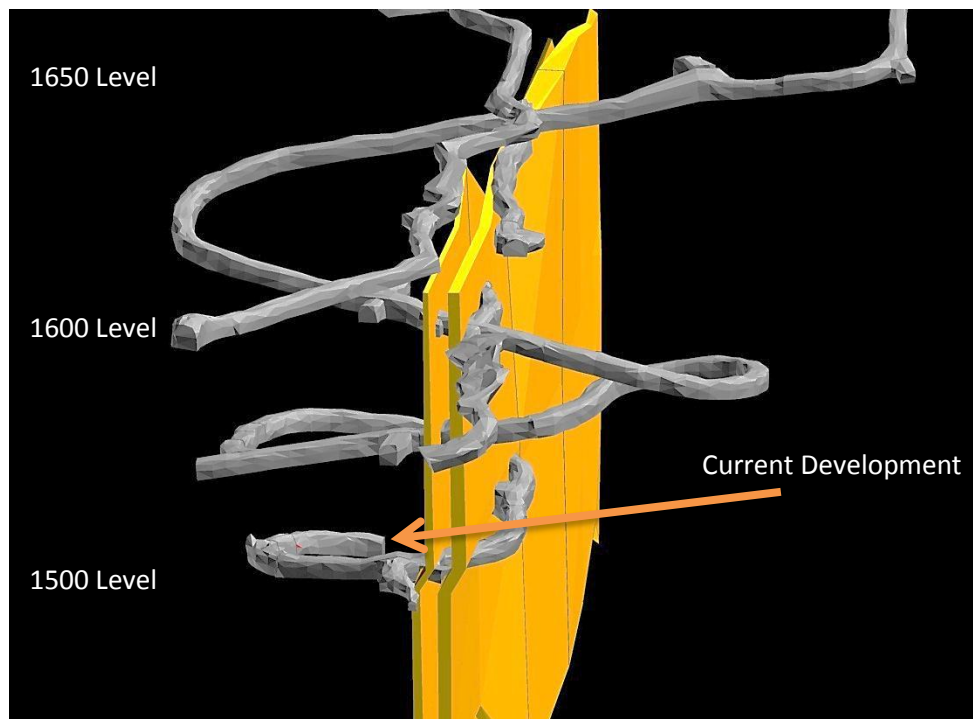


## Decline Development

The Company continues to develop the Underground Decline on time and on budget. Since listing, the decline and lateral development works have been extended by some 600 metres and remain on track to reach the known gold bearing stockworks at the 1400 Stockwork Zone, where the Company in July announced a Maiden Inferred JORC Resource of 750,000 tonnes at 5.5 g/t gold for 133,000 oz contained gold.<sup>(1)</sup>

The Decline is scheduled to reach the 1450 level by mid June 2013 as per the Company's prospectus at which point it expects to be able to significantly increase the rate of mining at the A1 Gold Mine.

As part of the decline design, the loops of the decline have intersected the host dyke structure multiple times and management have observed the dyke to be wider than previously expected. The current diamond drilling program has intersected stockwork dyke immediately to the north of the decline at the 1550 level.



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

**Figure 1: Current Development Isometric View**

<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.







## Exploration

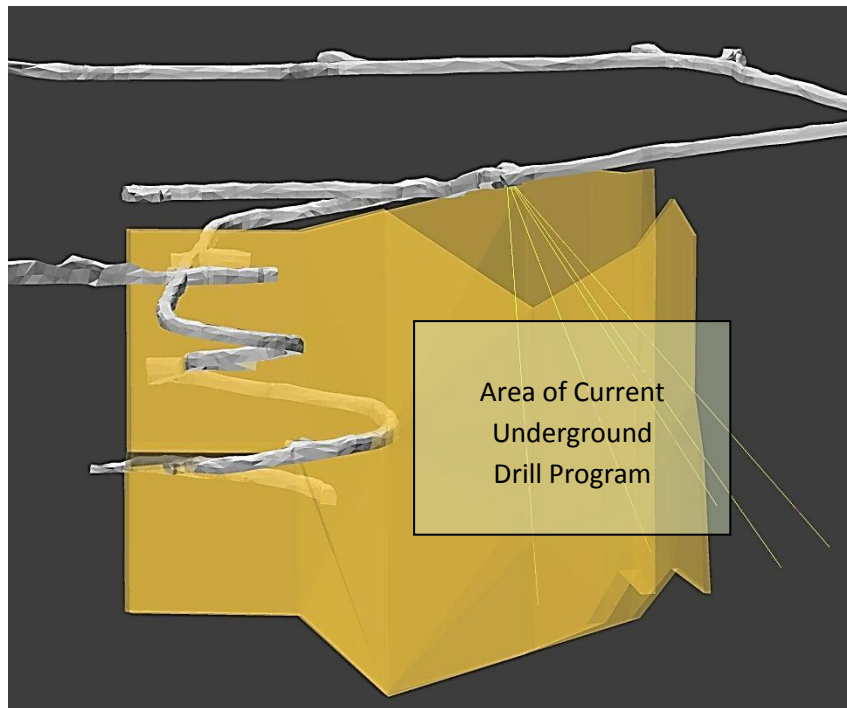
As part of the Board's longer term plans at the A1 Gold Project the Company has embarked on a significant exploration drilling program comprising drilling from both surface and underground.

Exploration drilling activities are set to continue in 2013 as the company seeks to convert exploration targets into resources.

## Underground Drilling

The underground drilling has been undertaken utilizing a compact drilling rig owned by the company and is aimed at identifying further targets that could be developed and economically extracted as the decline is developed toward the 1400 level.

As part of this drilling program the Company has identified mineralised stockworks in the dyke corridor immediately to the north of the current decline development.



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

**Figure 2: Current Drill Program Long Section Isometric View**







Hole No A1 UDH 012 has intersected mineralised stockwork dyke for 5.4m from 116.5m to 121.9m. Cutting and sampling of the core will be undertaken early in Q1 2013.



Figure 3: Tray No. 29 Hole No. A1UDH012



Figure 4: Tray No. 30 Hole No. A1UDH012

The underground drilling program is located to the north of the current decline development in a previously unexplored section of the Dyke Corridor. The results to date are very encouraging and drilling will continue in 2013.







## Surface Drilling: Northern Extension

A surface drilling program has commenced on the A1 Dyke Northern Extension. Holes No. A1SDH001, A1SDH002 & A1SDH003 have been completed with all of the holes intersecting the Dyke Corridor

The Northern Extension has a JORC Exploration Target of 4,000,000 to 6,000,000 tonnes with a grade range of 3.0 g/t to 11.0 g/t Au.<sup>(2)</sup>

The holes have intersected the dyke corridor at ~30.0m of down-hole width, (expected true width of upon logging to be >25.0m).

Logging and assay results are pending with full results from the program to be received in early 2013.

**Table 1: Tabulated tonnage and grade ranges for exploration target**

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
Upper 1400 Stockworks	1,000,000	1,300,000	5.0	11.0
Lower 1400 Stockworks	800,000	1,000,000	3.0	9.0
Northern Extension	4,000,000	6,000,000	3.0	11.0
1650 Stockworks	70,000	100,000	5.0	11.0
<b>Total</b>	<b>5,870,000</b>	<b>8,400,000</b>	<b>3.0</b>	<b>11.0</b>

\*Note Discrepancies in calculation numbers are affected by rounding

References to exploration target size and Target Mineralisation in this release 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 exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

**Figure 5: Surface Drill Rig**  
**Drill Hole A1SDH001**  
**September 2012**

(The Drill Rig is owned by a contractor and not part of the Companies Assets)



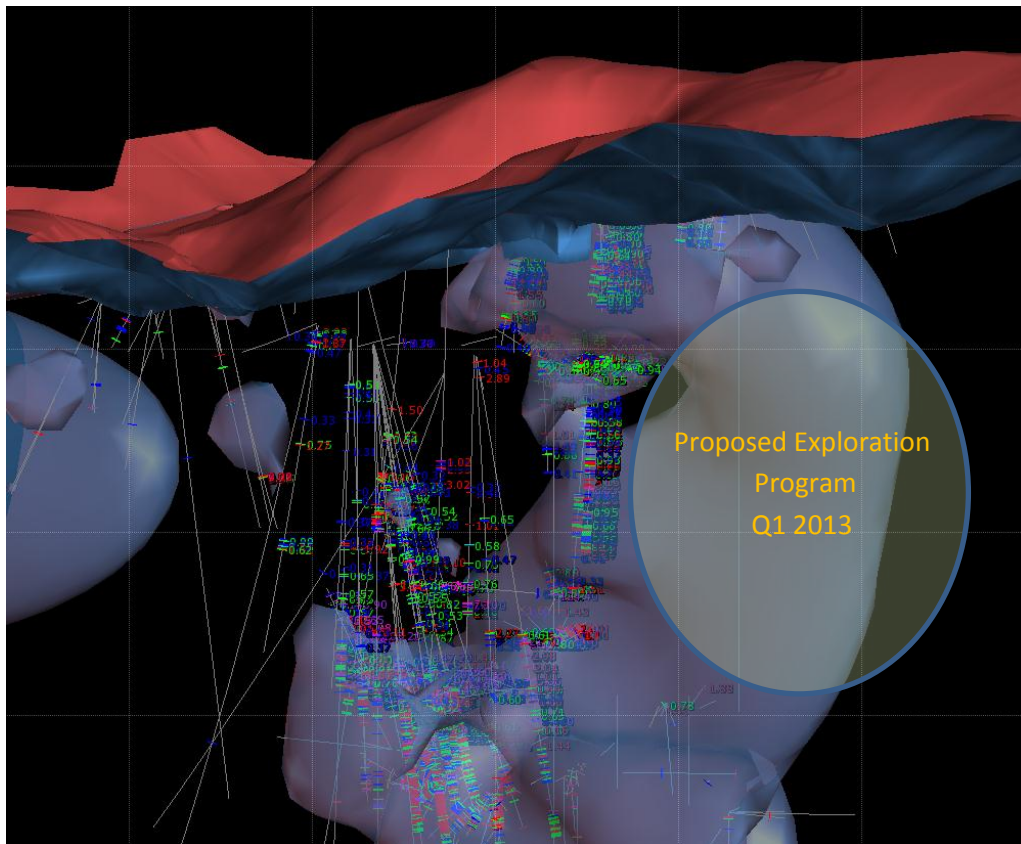




### Surface Drilling: Southern Extension

Geological modelling and a recent study have identified a possible repetition of the main central dyke bulge to the south of the historical workings.

A surface drilling program has been designed to commence testing this area in January 2013, with an initial program of 1200 metres of diamond drilling.



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

**Figure 6: Area of Proposed Drill Program Long Section Isometric View**







## Production

In June 2012 the Company announced that it had commenced toll treating at Maldon Resources Pty Ltd's Porcupine Flat Treatment Plant. The Agreement allows for the treatment of 150,000 tonnes over 3 years, at a rate of 50,000 tonnes per annum. The treatment process/plan involved an optimisation period during which an initial 5,000t bulk sample would be treated and the results used to determine the best way to optimize the mill to treat the 'nuggety' material mined at A1. As a result of this optimization process management have resolved to include a simple gravity circuit at the front end of the process. The Company has acquired the components and are constructing a mobile gravity circuit. The gravity circuit has been configured to match in with Maldon Resources mill throughput of circa 180,000 tonnes per annum. The Company expects the gravity circuit to be commissioned early Q1 2013 with initial treatment at 4000 tonnes per month.

## Site Performance

The Company continues to focus on creating a safe and productive work environment for its employees and is happy to report that it has had in excess of 125,000 hrs Lost Time Incident free operation. The Board sees safety as one of its highest priorities and continues to implement programs to ensure ongoing worker safety.

## 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 2). The Company has also acquired two mineral tenements to the north of the A1 Gold Mine for further exploration. A1 Consolidated Gold is currently developing an underground decline to the 1400 Stockwork Zone and expects to reach this zone in July 2013. The mining design is for a bulk mineable ore-body.

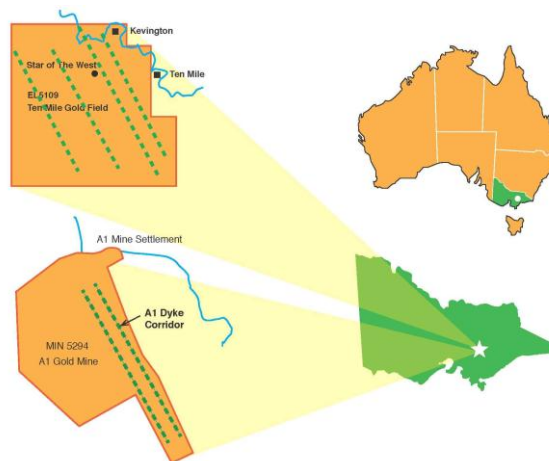


Figure 7: Location of Tenements







## Exploration Targets

The Stockwork Zones have also been identified to host a further JORC exploration target of between 5.8 to 8.4 million tonnes with a grade range of 3.0 to 11.0 g/t Au<sup>(3)</sup> (Table 1)

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<sup>(3)</sup>References to exploration target size and Target Mineralisation in this release 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 exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Morrie Goodz who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Goodz is a Director 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 Goodz 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.

