



A1 Consolidated Gold

ASX Release – 2nd February 2016

Purchase of Mining Tenement MIN5487 Eureka Mine Walhalla

A1 Consolidated Gold Ltd

ABN 50 149 308 921

ASX:AYC

Investment Highlights:

A1 Gold Mine :

Mineral Resources in accordance with the JORC Code (2012)
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

Maldon Gold Operations :

Fully operational 150,000tpa gold processing facility, Union Hill Mine, including underground development and infrastructure

Board of Directors:

Chairman

Dale Rogers

Managing Director

Dennis Clark

Non-Executive Directors

Jamie Cullen

Anthony Gray

Company Secretary

Dennis Wilkins

Capital Structure:

495,839,222 Ordinary Shares
237,639,276 Listed Options
9,000,000 Unlisted Options
24,000,000 Unlisted Options
71,428,565 Convertible Notes

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A1 Consolidated Gold Limited (ASX:AYC) (**A1 Gold** or the **Company**) is pleased to announce that it has completed a purchase agreement (**Agreement**) with Orion Gold NL (ASX:ORN) (**Orion**) to acquire MIN5487 (**Walhalla Project**).

Highlights:

- ❖ **Purchase of Mining Licence MIN 5487 from Orion Gold NL**
- ❖ **MIN 5487 overlies Eureka & Tubal Cain Deposits**
 - **Inferred Mineral Resources¹**
Tubal Cain: 932,000t @ 4.10 g/t Au for 122,900 oz Au
Eureka: 153,000t @ 9.90 g/t Au for 49,200 oz Au
- ❖ **Acquisition increases A1 Gold's Mineral Resource base in Victoria to +500,000 ounces of gold**
 - **Indicated Mineral Resources:**
A1 Gold Mine: 250,000t @ 5.1 g/t Au for 41,200 oz Au²
 - **Inferred Mineral Resources:**
A1 Gold Mine: 1,170,000t @ 6.4 g/t Au for 240,000 oz Au²
Pearl Croydon: 571,000t @ 2.9 g/t Au for 53,000 oz Au³
Tubal Cain: 932,000 tonnes @ 4.10 g/t Au for 122,900 oz Au¹
Eureka: 153,000 tonnes @ 9.90 g/t Au for 49,200 oz Au¹

1. Refer to ORN ASX Announcement dated 31 January 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

2. Refer to AYC ASX Announcement dated 12 May 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

3. Refer to ORS ASX Announcement dated 20 January 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.





Purchase of Walhalla Mining Tenement

During August 2014, A1 Gold entered into an Option Agreement with Orion to acquire its Walhalla tenements (refer to ASX Announcement dated 29 August 2014). This agreement expired on 31 July 2015, however on 11 August 2015, A1 Gold announced that it had entered into a binding Terms Sheet with Orion to acquire mining licence MIN 5487 for a reduced consideration of \$850,000.

Mining licence MIN 5487 is located in the Woods Point – Walhalla Goldfield, 150 kilometres east of Melbourne, and overlies both the Eureka and Tubal Cain gold deposits.

Staged payment terms for the purchase include \$50,000 cash paid on execution of the Terms Sheet (already paid), \$300,000 paid through the issue of shares at 3.838 cents each on completion of the sale (already issued) and a 2% net smelter royalty on the sale of gold recovered from the tenement to a value of \$500,000 (with any unpaid amount becoming payable after 36 months).

The Tubal Cain and Eureka gold deposits are predominantly dyke-hosted, with visible and disseminated gold associated with parallel ladder veins similar to the A1 Gold Mine. Eureka was mined from 1867 to 1915 to a depth of approximately 150 metres and produced 70 kilograms of gold. Tubal Cain was worked from 1866 to 1911 to a depth of 100 metres and produced 120 kilograms of gold.

The deposits have a combined Inferred Mineral Resource of **1,085,000 tonnes grading 4.93 g/t Au for 172,100 ounces** of gold (Table 1).

Table 1.			
MIN 5487 - Mineral Resource Estimate (January 2014) ¹			
Deposit	Inferred		
	Tonnes	Au g/t	Ounces Au
Tubal Cain	932,000	4.10	122,900
Eureka	153,000	9.90	49,200
Total	1,085,000	4.93	172,100

Note 1. Refer to Orion Gold NL (ASX: ORN) ASX Announcement dated 31 January 2014. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.





Diamond Drilling 2015

Two diamond holes (EUSDH-001 and EUSDH-001W1) were drilled to test for gold-bearing quartz reefs above the Western Adit Level, adjacent to the historic mine workings (refer to ASX Announcement dated 11 August 2015). A total of 9 reefs were intersected in EUSDH-001 and 4 reefs in EUSDH-001W1 including the E3 reef in EUSDH-001 that returned 3.2 metres @ 10 g/t Au within the main target zone on the Western Adit Level.

These holes intersected gold-bearing quartz reef within the targeted zone, along with many other mineralised reefs structures. This drilling confirmed the Company's view on the potential for extensions to the identified Mineral Resource at the Eureka Mine.⁽¹⁾

A1 Gold views the Eureka Deposit as a medium-term mining opportunity and plans to develop and mine narrow-vein high-grade gold at the Eureka Deposit to supplement ore from the A1 Mine for processing at its Maldon gold processing plant. Upon completion of the purchase of the mining licence a Mining Work Plan will be lodged with the Victorian Government to provide for the commencement of underground mining in the already developed Western Adit area.

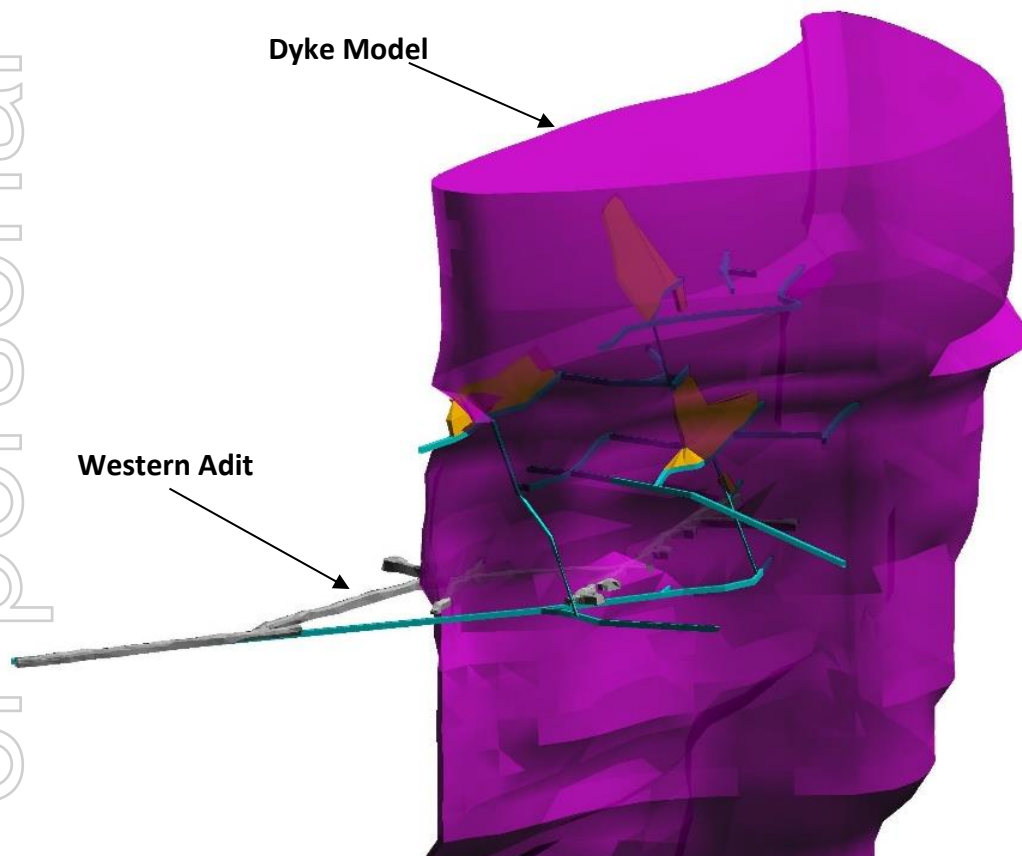


Figure 1. Isometric View of the Western Adit and Eureka Dyke Model

(This figure is a screen capture and not to scale. It is provided for illustration purposes only.)

(1) Refer to AYC ASX Announcement dated 11 August 2015. The Company is not aware of any new information or data that materially affects the information provided in the previous announcement.





About the Company

A1 Consolidated Gold Ltd is an emerging junior Victorian gold producer that is developing the A1 Gold Mine near Woods Point and the Union Hill Mine at Maldon to mine ore for processing at the Company's fully permitted 150,000tpa Maldon gold processing facility.

As announced on 11 August 2015, the Company has also agreed to purchase the Eureka and Tubal Cain deposits near Walhalla, southeast of the A1 Gold Mine.

Location of Projects



Caution Regarding Forward Looking Information

This document contains forward looking statements concerning A1 Consolidated Gold Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties, and other factors. Forward looking statements are inherently subject to business, economic, competitive, political, and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on A1 Gold's beliefs, opinions and estimates of A1 Gold's as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

