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 (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

Developing decline at approx 100 metres per month –

Capital Structure:

138,208,921 ordinary shares
26,666,667 unlisted options

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ASX Release – 11th February 2013

A1 Gold Mine JORC (2012) Mineral Resource total increased by 135% to 1.4Mt @ 6.2 g/t Au 281,000 oz Gold

Highlights:

- **A1 Gold Mine Resource Upgrade in both size and classification**
- **135% increase in total resources to 1.4Mt @ 6.2 g/t Gold for 281,200 oz Gold[1,2], as follows:**
  - **Indicated Mineral Resource 250,000t @ 5.1 g/t Gold**
  - **Inferred Mineral Resource 1,170,000t @ 6.4 g/t Gold**
- **The 1400 Stockwork Zone represents a bulk mineable block located between the 1500mRL and 1000mRL** (Figure 1)
- **Decline Development currently at 1540 Level and ongoing**
- **Development is planned to reach the 1400 Stockwork Zone in June 2013**

A1 Consolidated Gold Limited (ASX:AYC) is pleased to announce the results of an upgraded Mineral Resource estimate for the 1400 Stockwork Zone at its wholly owned A1 Gold Mine. Reported in accordance with The JORC Code (2012), the resource is classified as an **Indicated and Inferred Mineral Resource[1,2]** as follows:

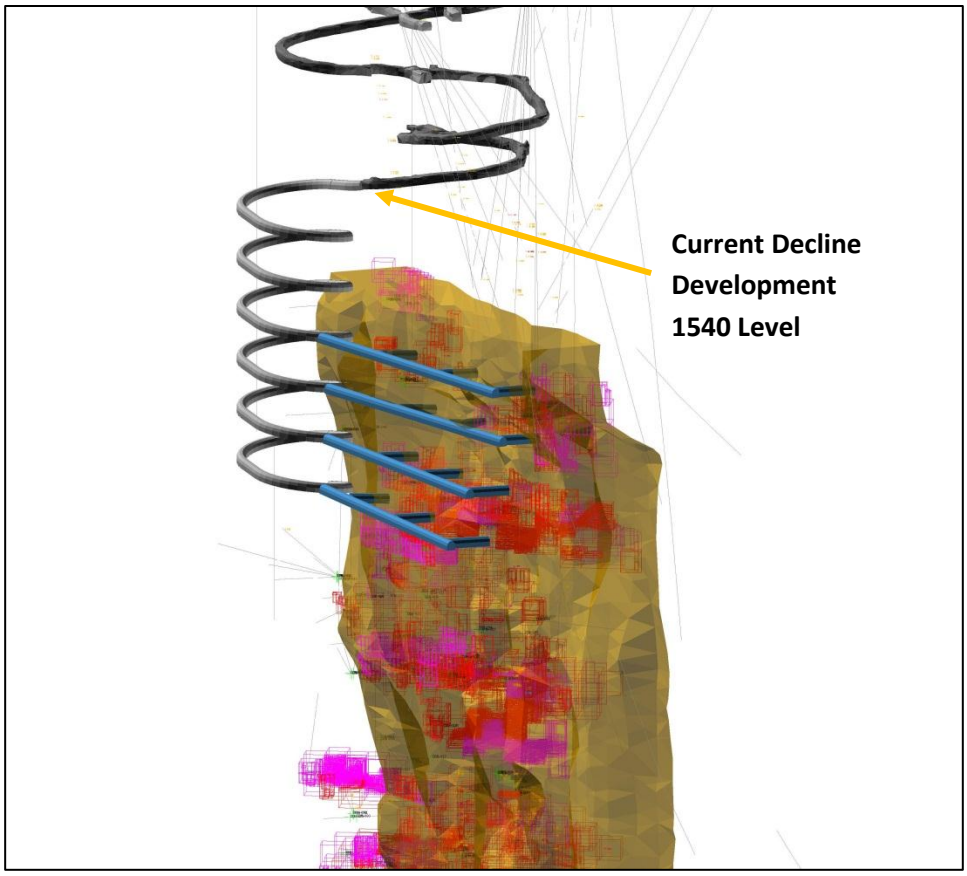
Table 1. 1400 Stockworks Mineral Resource estimate, A1 Gold Mine, February 2013

Class	Tonnes	Au g/t	Au Ounces
Indicated	250,000	5.1	41,200
Inferred	1,170,000	6.4	240,000
Total	**1,420,000**	**6.2**	**281,200**

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.

Independent Resource Consultants, CSA Global, have been commissioned by the Company to estimate a Mineral Resource at the A1 Gold Mine. The summary report is attached on pages 10 to 14 of this announcement.

Figure 1: Isometric view showing 1400 Stockwork Zone Mineral Resource in relation to current decline development



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

(1) 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.

(2) 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.

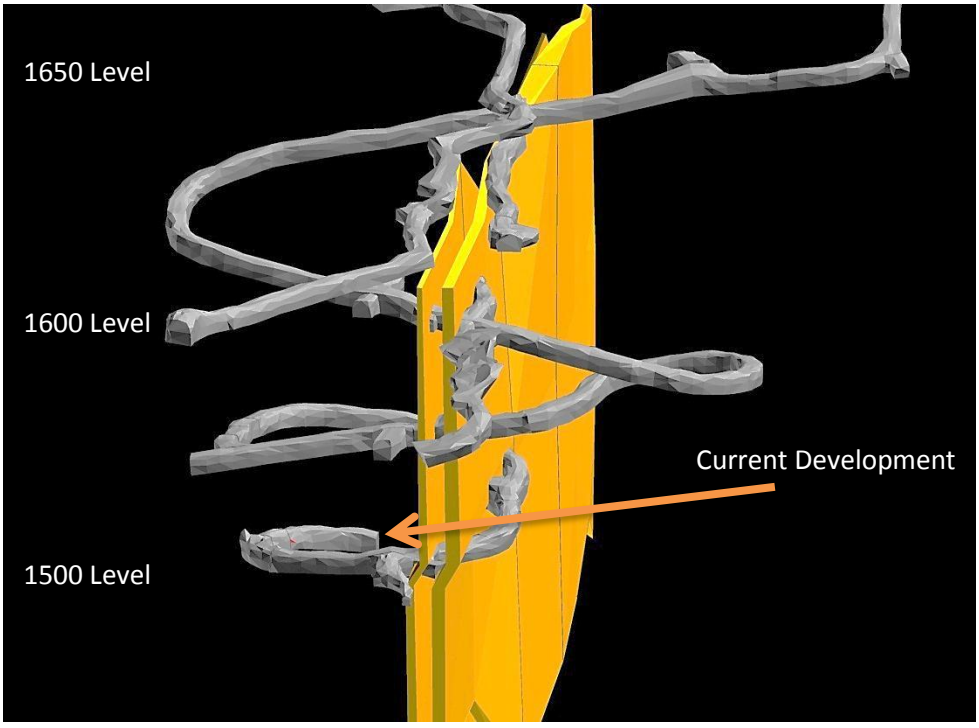
Competent Persons Statement

The information in this Report that relates to in-situ Mineral Resources is based on information compiled by David Williams of CSA Global Pty Ltd. David Williams takes overall responsibility for the Report. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). David Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 has today announced a significant increase in the Mineral Resource[3] at the A1 Gold Mine.
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 2: Current Development Isometric View

[3]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.

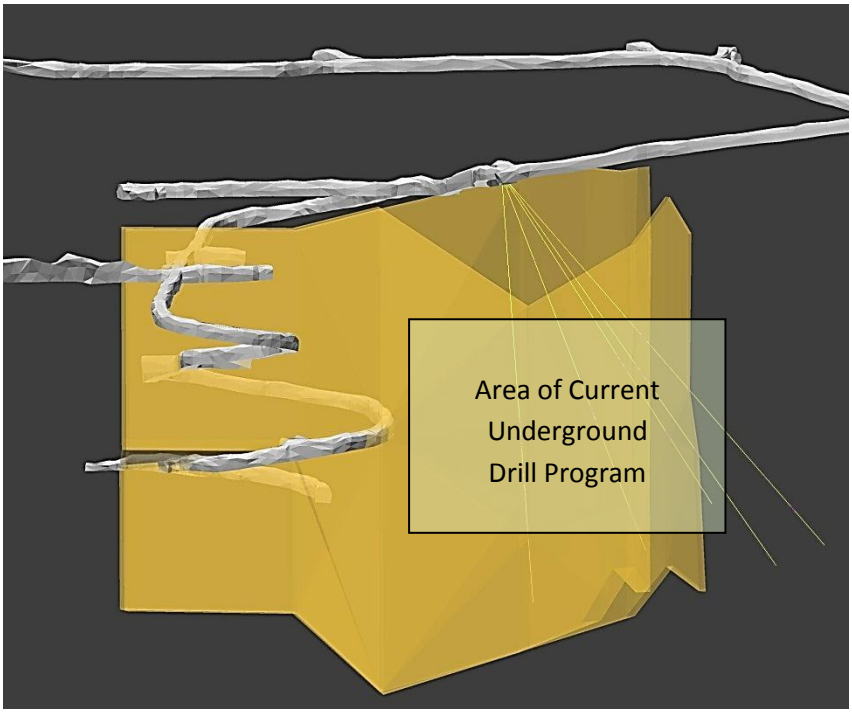


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Figure 3: Current Drill Program Long Section Isometric View

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 4: Tray No. 29 Hole No. A1UDH012

Figure 5: 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.[4]

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 preliminary results from the program to be received in Q1 2013.

Table 2: 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
Total	**5,870,000**	**8,400,000**	**3.0**	**11.0**

*Note Discrepancies in calculation numbers are affected by rounding

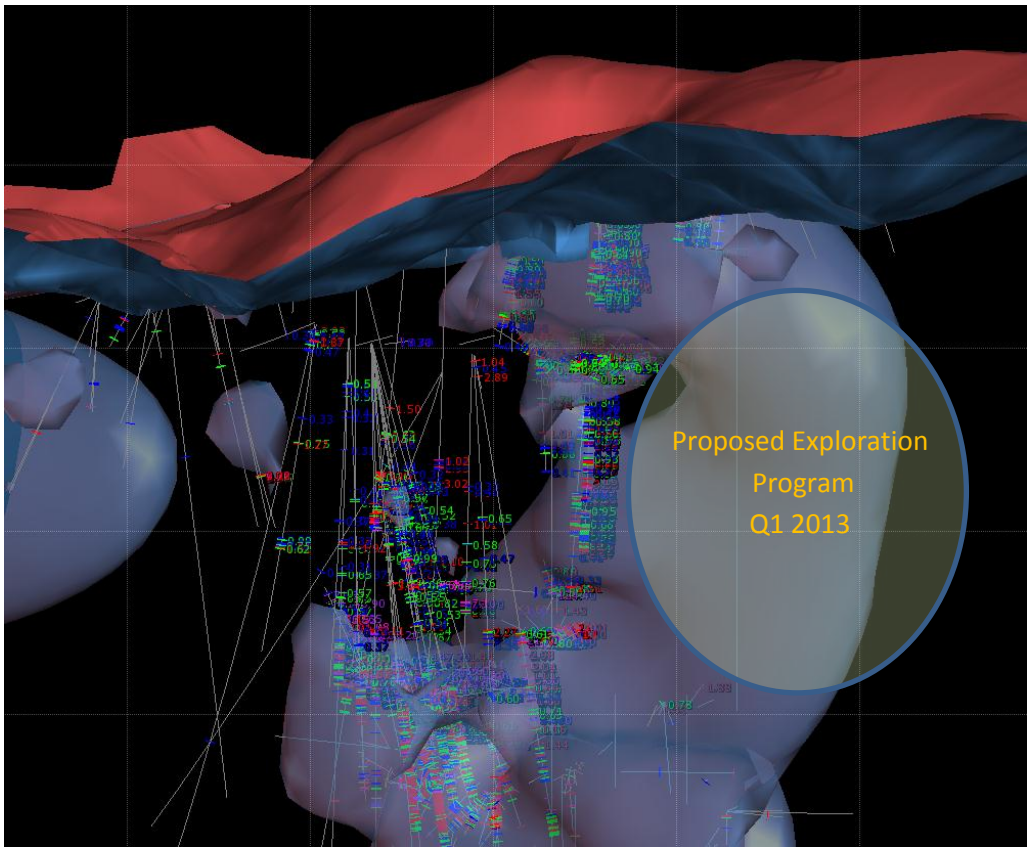
[4]References to exploration target mineralisation and size, in this release are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination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

Figure 6: Surface Drill Rig
Drill Hole A1SDH001
September 2012
(The Drill Rig is owned by a contractor and not part of the Company's 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 7: 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 Q2 2013 with initial treatment at 4,000 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.

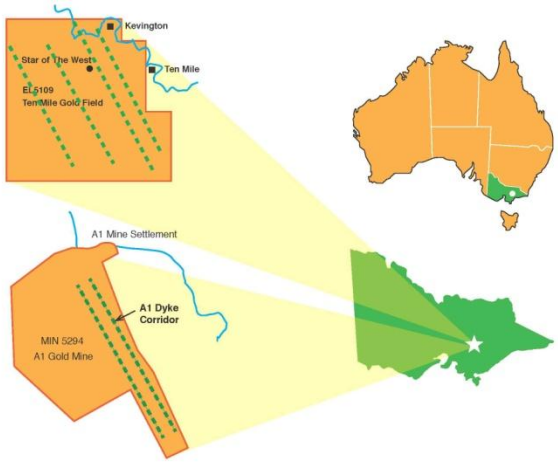


Figure 8: Location of Tenements

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[(4)] (Table 1)

Table 2: Tabulated tonnage and grade ranges for exploration target

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
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Total	**5,870,000**	**8,400,000**	**3.0**	**11.0**

*Note Discrepancies in calculation numbers are affected by rounding

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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 2012 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.

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A1 Consolidated Gold, Mineral Resource Estimate

CSA Global Pty Ltd ("CSA") were commissioned by A1 Consolidated Gold ("A1") to estimate a Mineral Resource for the 1400 Stockwork zone at the A1 Au deposit, located near Woods Point, Victoria.

Table 1 presents the Mineral Resource for the 1400 Stockwork zone above a cut-off grade of 3.0g/t Au, and between the 1000mRL and 1500mRL. The model has been classified as Indicated and Inferred as per the JORC Code (2012 edition).

Table 1. 1400 Stockworks Mineral Resource estimate, A1 Gold Mine, February 2013.

Class	Tonnes	Au g/t	Au Ounces
Indicated	250,000	5.1	41,200
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Total	**1,420,000**	**6.2**	**281,200**

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.

The A1 gold mine is a narrow vein gold deposit hosted with a diorite dyke bulge, approximately 150m long, 45m wide and 700m deep. Gold mineralization is hosted within shallow dipping quartz veins which occur as either stacked sets or as stockwork zones. The current Mineral Resource is named the 1400 Stockwork model, although the Mineral Resource is reported between the 1500 and 1000mRLs.

The A1 mine has a long history of underground mining, dating from the late 19th Century. The mine is located within the Woods Point – Walhalla Goldfield, which produced more than 5MOz between 1861 and 1992.

The Mineral Resource was previously reported by Snowden Mining Industry Consultants (2012) as an Inferred Mineral Resource, of 750,000 @ 5.5g/t for 133,000 contained ounces (un-cut Au). The current

Mineral Resource estimate uses the complete database of diamond drill holes, drilled between the mid-20th century and 2012.

Mr. M. Goodz and Mr. D. Clark, both directors of A1, have verified the existence of the historical holes and can attest to their quality assurance. CSA visited the mine site in December 2012, and sited several historical drill collars, along with more recent drill collars. Drill core, both recent and historical, was inspected at surface or at the core yard storage facility in Mansfield. CSA inspected the underground workings in the company of A1 staff.

CSA constructed a geological model of the diorite dyke, using Leapfrog software to simulate the dyke from the geological logs of the diamond drill holes. The Leapfrog model was imported into Datamine, where it was edited to construct a 3D wireframe solid. The model was then compared to previous geological interpretations and validated. The model was reviewed by Mr. M. Goodz (A1) before it was allowed to be used for the Mineral Resource estimate. The dyke model encapsulates the dyke geological domain, and extends a short distance into the wall rock to capture quartz veining which has extended out of the dyke. This is a recorded feature of the mineralization at A1, where the mineralized quartz veins do extend a short distance into the sedimentary wall rock, albeit with declining gold grades. Therefore the diorite dyke is not strictly a geological model of the dyke, but rather an envelope capturing the quartz veining. It is recommended that future Mineral Resource estimates build a geological model of the dyke only, so that drill hole samples located within the sediments can be statistically assessed and compared to the dyke hosted mineralization. CSA do not believe this has had any significant impact upon the reported tonnes and grade with the current model, but recommend it with a view to having a resource model with stronger geological and geostatistical foundations.

The Mineral Resource was estimated according to the following:

- The drill hole database was supplied by A1.
- This drill data subset contains an historical drill hole database(historical data), and a recent drill hole database (‘2011 database’) incorporating diamond drill holes drilled in late 2011 and 2012.
- The historical database has 265 diamond holes (15,097m), drilled up to 2008.
- The 2011 database contains 75 diamond holes for 12,481 meters of diamond core.
- The historical diamond core was selectively sampled in many instances, with only the quartz veins sampled. The 2011 drill core was more comprehensively sampled, with a significant increase in the quantity of low grade dyke material assayed. The contrast in sampling criteria between the two datasets has had direct implications upon the grade estimation, and the resource classification, discussed later.
- A1 supplied CSA with additional files:
    - Topographic surfaces.
    - Underground depletion wireframes for current and historical development, stopes and shafts.
    - Selected QAQC information related to survey control of recent drill holes.
    - Previous Mineral Resource report (Snowden, draft version).
    - Miscellaneous geological papers.
- Drill hole data were flagged according to whether they were located within or outside the diorite dyke model. Datamine variables were used to control this flagging.

- Statistical analyses were carried out on the flagged drill data, and the drillhole data was composited to 1m intervals.
- A top cut of 50g/t was selected for the Au population. This has resulted in 38 out of 7,684 composited samples within the dyke domain being cut back to 50g/t. The cut mean grade of the dyke mineralization is 1.28g/t, compared to an uncut mean grade of 2.19g/t.
- The variogram model parameters for gold are presented in Table 2. A principal direction was modeled plunging 20° to 200°, reflecting the shallow dipping orientation of the quartz veins. CSA recommend further work to refine the best geological direction which should control the variogram models. A relatively low nugget effect was modeled, with the population variance rapidly approaching the sill within the first range.
- A block model was constructed encompassing the diorite dyke, and extending to surface and to a depth of 900mRL, with blocks sizes of 10m x 10m x 5m. Sub-blocking was used to ensure the diorite dyke wireframe volume was sufficiently filled.
- Gold grades were estimated into the dyke domain using ordinary Kriging. A minimum of 8 and maximum of 30 samples were used per block estimate. Search ellipse directions and radii were based upon variogram models, with radii approximating the short ranges. A search ellipse with radii of 20m x 20m x 5m was used.
- Many iterations were run to test the sensitivity of the grade estimation to varying search ellipse sizes and estimation parameters.
- The absence of sample assays from runs of historical drill core was seen to influence the local block estimates adjacent to those core. A geostatistical study of the recent diamond drilling has demonstrated a low grade Au population (median Au grade 0.144g/t Au) that is not available to be assessed in the historical data (median grade 0.416g/t Au). Regions of the dyke block model mainly supported by historical drilling have a higher grade bias, compared to the regions with strong 'recent' drilling support, which represent a more realistic grade estimate. Sufficient recent drilling occurs with the historical drilling to allow the lower grade samples to be available for the vast majority of block estimates.
- A density value of 2.73 t/m^3 was applied to all blocks. This density figure was determined from metallurgical testwork as discussed in Snowden (2012).
- The block model was depleted by 3D wirefames representing underground mine voids. Blocks within the void wireframes are appropriately coded to allow correct resource reporting.
- A1 requested the 1400 Stockworks zone be reported between the 1000mRL and 1500mRL.
- The model has been classified as Indicated and Inferred according to JORC reporting criteria (2012 edition). The Indicated classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, a record of QAQC assessments, and a reasonable dataset supporting the density used in the resource model. Notice is taken of the long period of technical and management involvement of two directors of A1 with the mine, who have both attested to the quality of drill hole information and the operational history of the mine.
- The Indicated Mineral Resource is centered around a region dominated by recent diamond drilling, with a set of assayed sample data representing the gold distribution through that region of the dyke domain. Other regions of the Mineral Resource are not so well populated with recent drilling, and more importantly, tend to have stronger sample support from the historical drilling which lack

sample assay grades through lower grade regions of the dyke. These regions represent a risk of an over-estimated Mineral Resource, and were classified as Inferred to represent this risk.

Table 2. Variogram parameters (Normal Scores, sill)

Variable and Domain	Direction		Nugget	Structure 1		Structure 2	
				Sill	Ranges	Sill	Ranges
			C_0	C_1	A_1	C_2	A_2
Diorite Dyke	1	0-->110	0.25	0.58	17	0.14	80
	2	-20-->200			10		55
	3	-70-->020			7		36

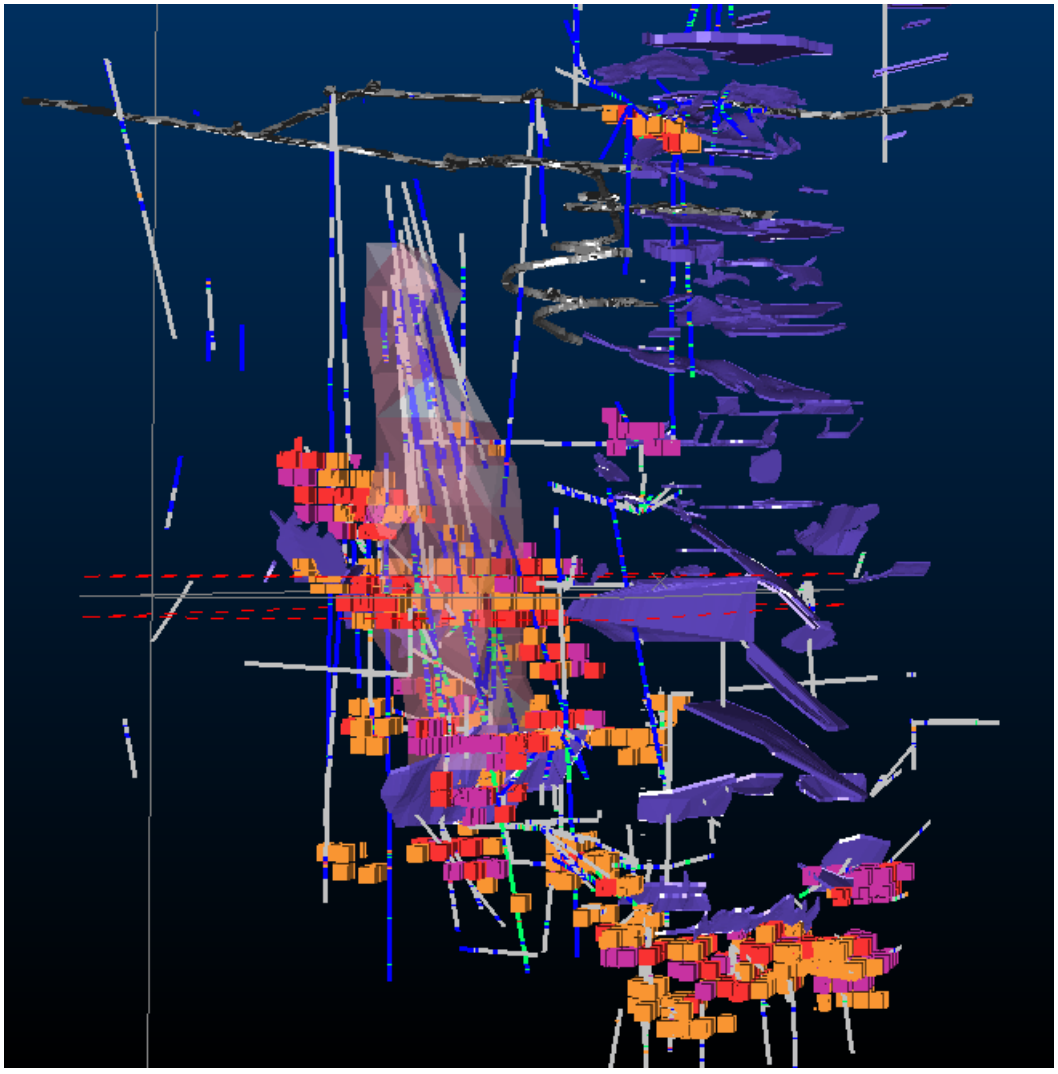

Figure 1 Block model Au > 3g/t with Indicated zone (transparent feature). Underground voids and diamond drilling shown.

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The information in this Report that relates to Exploration Results is based on information compiled by Morrie Goodz of A1 Consolidated Gold Ltd. He is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Morrie Goodz consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.