



A1 Consolidated Gold

ASX Release – 4th April 2014

A1 Gold Mine Update

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

Board of Directors:

Chairman

Ashok Parekh

Managing Director

Dennis Clark

Non-Executive Directors

Morrie Goodz

Peter Chen

Joint Company Secretary

Emma Walczak

Dennis Wilkins

Capital Structure:

176,597,322 ordinary shares

28,666,667 unlisted options

Contact:

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A1 Consolidated Gold Limited (ASX: AYC) is pleased to report an update on the Company's development of the A1 Gold Mine in North-Eastern Victoria.

Highlights:

- ❖ **Development mining nears planned stoping areas**
- ❖ **60 metres of development to high grade intercepts**
- ❖ **150 ktpa Toll Milling Agreement in place**
- ❖ **Mine Plan Review**

Development of the Company's 100% owned A1 Gold Mine is continuing and is nearing the planned initial stoping areas. Modelled stopes around the 1460-900 area contain a series of high grade intersections up to 569.6 g/t Au.

On the 1550 Level, a development heading has been progressed and is within 60.0 metres of reaching a high grade drill intersection. This area is planned to be mined in the current quarter.

As part of the Company's Mine Plan, AYC has entered into a Toll Treatment Agreement with Balmain Pty Ltd. The terms of the Ore Tolling Agreement have been designed to meet consultants, Mining One's planned schedule for the mining of the 1400 Stockwork Zone at a peak extraction rate of 150,000 tpa.

Mining One has undertaken a review of the Mine Plan for the development and scheduling of the production mining of the 1400 Stockwork Zone at the A1 Gold Mine. The scope of the review includes Mine Design, Stope Design using Mining Shape Optimisation software (MSO), Mining Inventory and a Financial Model.

Managing Directors Comments

Managing Director Dennis Clark said "The Company continues to work hard developing the A1 Gold Mine and is focussed on bringing the 1400 Stockwork Zone into production."

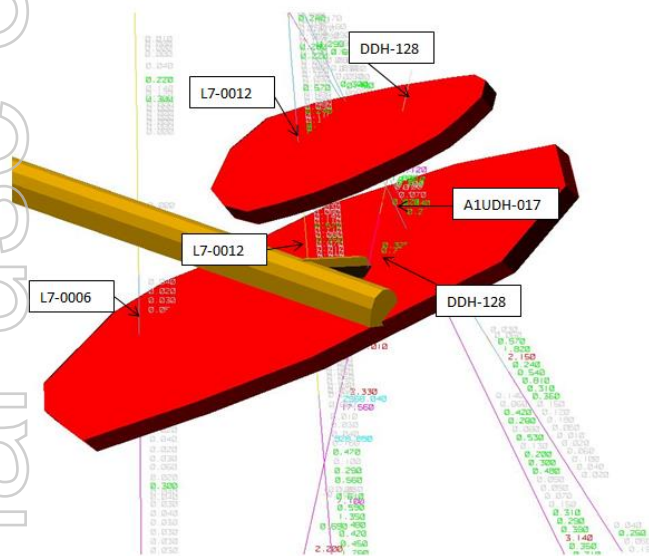




1460-900 Stopes

The Company is continuing the development of the Decline towards the planned initial two stopes in the 1400 Stockwork Zone.

These first two planned stopes contain a series of high grade diamond drill intersections and the mine design is targeting this area for production mining.



Intercept Highlights

- ◆ L7-0006
1.0m @ 103.2 g/t
- ◆ L7-0012
0.5m @ 148.9 g/t
- ◆ DDH-128
0.2m @ 85.5 g/t
0.2m @ 569.6 g/t
0.3m @ 71.6 g/t
- ◆ A1UDH-017
1.0m @ 6.5 g/t
(Drill Data Table A Below)

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

Figure 1: Isometric View of Planned 1460-900 Stopes and Drill Intercepts

Drill Data Table A.

Hole ID	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade g/t Au
L7-0006	183.3	- 87.9	241.00	242.00	1.00	103.2
L7-0007	244.9	- 85.0	218.00	218.50	0.50	148.9
DDH-128	351.0	+ 60.0	57.66	57.86	0.20	85.5
DDH-128	351.0	+ 60.0	58.93	59.13	0.20	569.6
DDH-128	351.0	+ 60.0	79.83	80.14	0.31	71.6
A1UDH-017	290.6	- 63.9	215.00	216.00	1.00	6.56

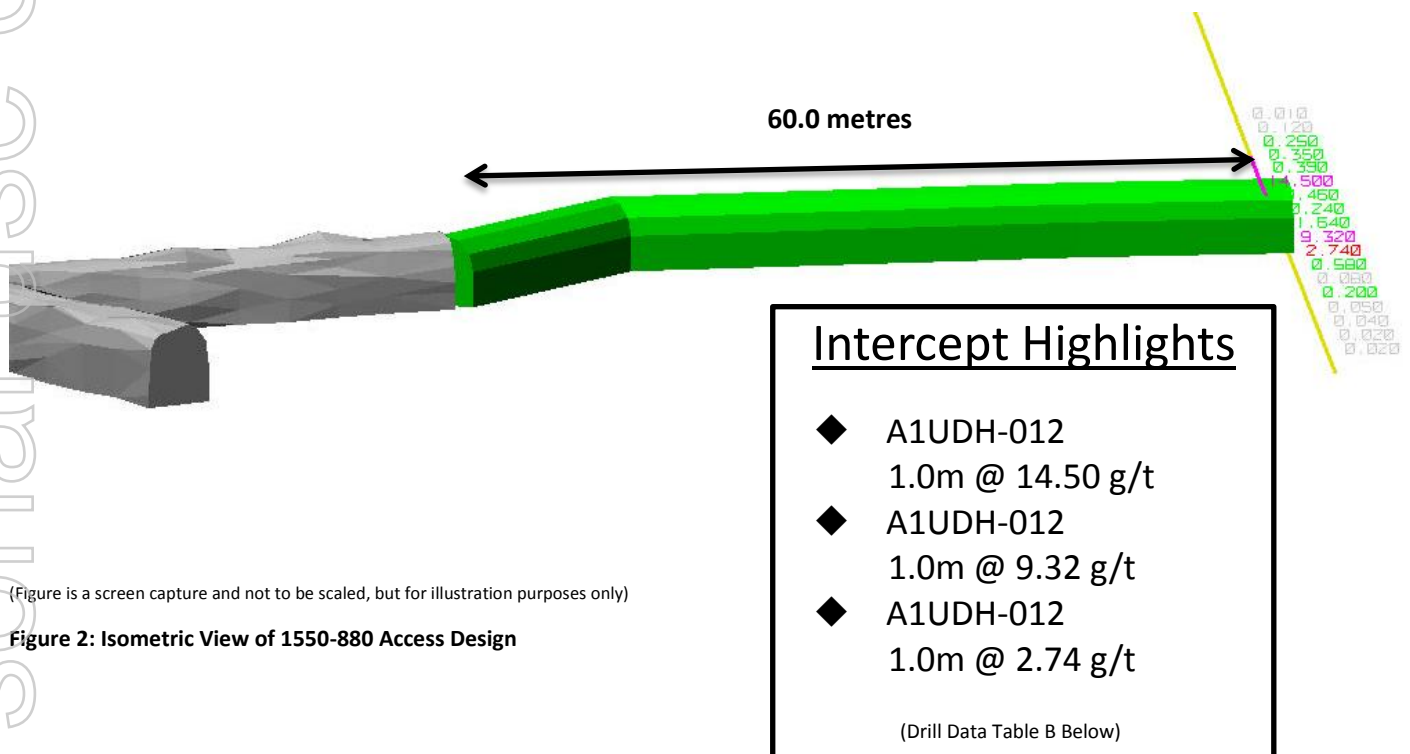
This information was prepared and first disclosed under The JORC Code (2004). It has not been updated since to comply with The JORC Code (2012) on the basis that the information has not materially changed since it was last reported.





1550-880 Intercepts

In February 2013, the Company released the results of high grade drill intercepts from an underground drilling program. Mine development is within 60 metres of reaching this area which is planned to be accessed in the current Quarter. The textural appearance of the host dyke and veining at the targeted intersection is at this stage unique to the A1 Mine, (see Figures 3 & 4 below). The overall texture can be described as a healed breccia, with the veining within the dyke being highly stylonitic with very strong sulphidic crustiform margins on the vein contacts. Vein hosted grade extends into surrounding sediments.



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

Figure 2: Isometric View of 1550-880 Access Design

Drill Data Table B.

Hole ID	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade g/t Au
A1UDH-012	284.5	-60.0	117.4	118.4	1.00	14.50
A1UDH-012	284.5	-60.0	118.4	119.4	1.00	0.46
A1UDH-012	284.5	-60.0	119.4	120.4	1.00	0.24
A1UDH-012	284.5	-60.0	120.4	121.4	1.00	1.64
A1UDH-012	284.5	-60.0	121.4	122.4	1.00	9.32
A1UDH-012	284.5	-60.0	122.4	123.4	1.00	2.74

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1550-880 Intercepts

Diamond drill hole A1UDH-012 intersected mineralised stockwork dyke for 6.0m from 117.4m to 123.4m.



Figure 3: Tray No. 29 Hole No. A1UDH012



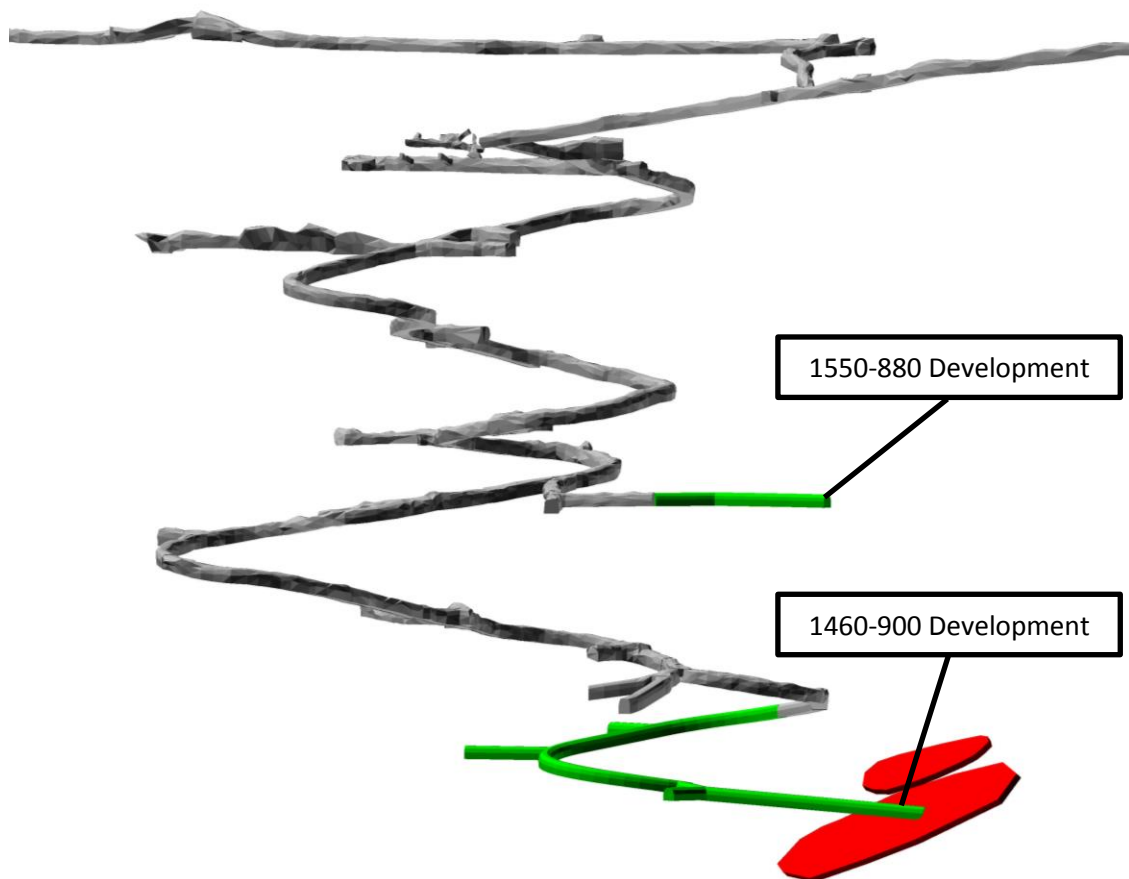
Figure 4: Tray No. 30 Hole No. A1UDH012





Isometric View of Planned Mining Locations

A screen capture of the A1 Gold Mine showing the locations of the current development (grey), development designs (green) and stope design (red).



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

Figure 5 : Isometric View of Planned 1460-900 Stopes and Location of 1550-880 Drill Intercepts





Toll Treatment Agreement

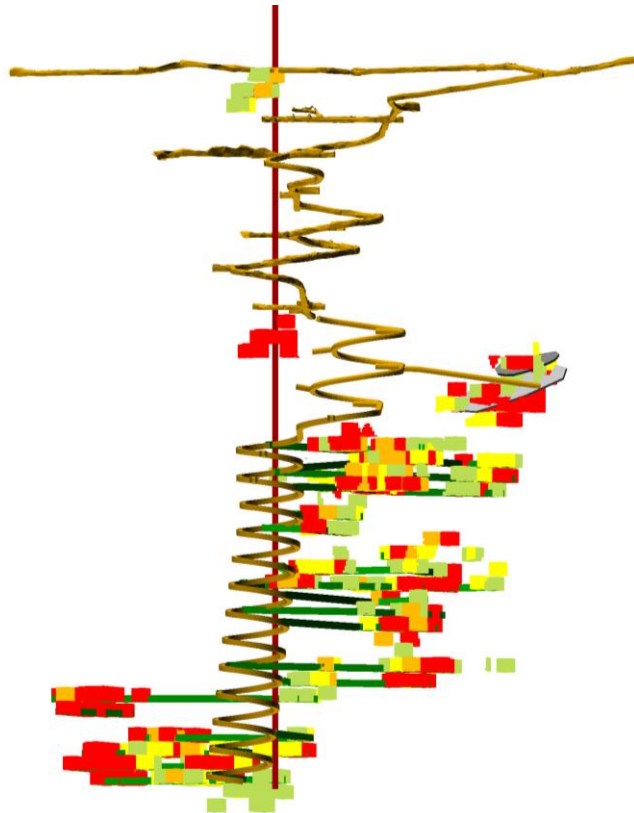
A1 Consolidated Gold has entered into an Ore Tolling Agreement with Balmaine Gold Pty Ltd (A wholly owned subsidiary of Castlemaine Goldfields Ltd). Castlemaine Goldfields Ltd is a wholly owned subsidiary of LionGold Corp Ltd

The terms of the Ore Tolling Agreement have been designed to meet consultants, Mining One's planned schedule for the mining of the 1400 Stockwork Zone at a peak extraction rate of 150,000 tpa.

The Ore Tolling Agreement is for up to 150,000 tpa for a total of 450,000 tonnes over 3 years and may be extended by agreement to align with the December 2019 timeframe of the current mining design.

Mine Plan Review

As part of the Mine Plan Review by consultants Mining One, the mine scheduling and method was designed using Mining Shape Optimisation software (MSO). The mining design is for a combination of bulk mineable blocks and narrow vein high grade mining.



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

Figure 6: Isometric View of Decline Development and MSO Stopes





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.

As announced on 11 February 2013 (as clarified by an announcement dated 18 February 2013), the Company's JORC Mineral Resource has been upgraded in both size and classification, with a 135% increase in total resources to 1.4Mt @ 6.2 g/t Gold for 281,200 oz Gold ⁽¹⁾, 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** ⁽¹⁾ as follows:

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.

Table C: 1400 Stockworks Mineral Resource

This information was prepared and first disclosed under The JORC Code (2004). It has not been updated since to comply with The JORC Code (2012) on the basis that the information has not materially changed since it was last reported.

⁽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 Mineral Resources as a Measured Mineral Resource or an Ore Reserve. It is uncertain if further exploration will result in upgrading the Mineral Resources to a Measured Mineral Resource category or to an Ore Reserve.

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.





Tenement Holdings and Movements

Below is a schedule to mining tenements and beneficial interests held as at the end of the March 2014 Quarter:

Mining Tenements

Tenement Reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
MIN 5294	A1 Gold Project, Victoria	100%	N/A	100%
EL 5109	Ten Mile Goldfield, Victoria (incorporating Star of the West Mine, previously MIN4636)	100%	N/A	100%

Beneficial percentage interests held in farm-in or farm-out agreements

Tenement Reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
Nil	N/A	N/A	N/A	N/A





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.

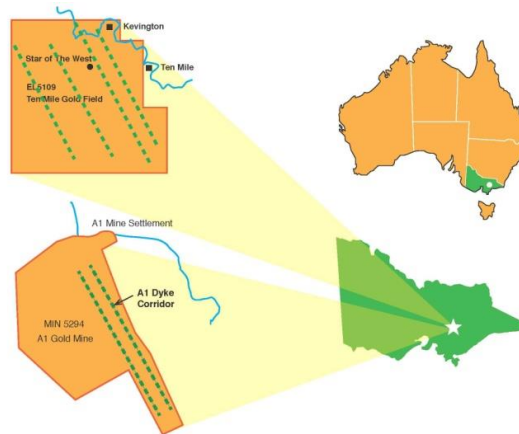


Figure 4: Location of Tenements

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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.

