



# A1 Consolidated Gold

ASX Release – 31<sup>st</sup> July 2015

## Quarterly Activities Report

**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:

446,356,265 Ordinary Shares  
223,750,389 Listed Options  
9,000,000 Unlisted Options  
71,428,565 Convertible Notes

#### Contact:

Dennis Wilkins

Tel: +61 8 9389 2111

admin@a1consolidated.com

A1 Consolidated Gold Limited (ASX: AYC) (**A1 Gold** or the **Company**) is pleased to report its activities for the Quarter ending 30 June 2015.

### Highlights:

- ❖ **Completion of acquisition of Maldon Gold Operations**
  - Creation of an emerging junior gold producer
  - Fully Operational 150,000tpa gold processing facility
  - Two operating underground mines
- ❖ **Gold Production (under Maldon Management Agreement)**
  - Combined stoping produces 8.4 g/t headgrade
  - Development ore stockpile grades at 2.0 g/t
  - Average spot gold price of AUD \$1526 / oz achieved
- ❖ **\$2.5 million Convertible Note placement completed**
  - Squadron Resources Pty Ltd (formerly Minderoo Resources Pty Ltd) provides \$2.0m
- ❖ **Board Strengthened**
  - Mr Jamie Cullen and Mr Anthony Gray join Board
  - Dr John Clout appointed as Technical Adviser

Managing Director Dennis Clark commented:

“The June quarter has seen our Company become an emerging junior Australian gold producer through the acquisition of the Maldon Gold Operations. This acquisition is an integral step in our strategy and provides us with a fully operational gold processing facility that is ideally suited to our planned production from the A1 Gold Mine.”





## Acquisition of Maldon Gold Operations

Following a General Meeting of A1 Gold shareholders on 25 June 2015, A1 Gold completed the acquisition of the Maldon Gold Operations and associated tenements in central Victoria from Octagonal Resources Limited (ASX:ORS) (**Octagonal**).

The acquisition created an emerging junior Australian gold business with a 150,000tpa CIL gold processing facility at Maldon (the Maldon Treatment Plant) that is an optimal size for the Company's planned production from the A1 Gold Mine.

The Company commenced management of the Maldon Gold Operations in February.

For further information, refer to the Company's ASX announcements dated 9 February 2015 and 25 June 2015 and the Company's website [www.a1consolidated.com.au](http://www.a1consolidated.com.au).

## Completion of \$2.5M Convertible Note Placement

On 25 June 2015, the Company announced that it had completed a placement of convertible notes (with attaching AYCO options on a 1:3 basis) to raise \$2.5 million. The convertible notes were issued to Squadron Resources (\$2.0m) and qualifying sophisticated and professional investor clients of Patersons Securities Limited who acted as Lead Manager to the placement.

For further details, refer to the Company's ASX announcement dated 25 June 2015 and the Company's website [www.a1consolidated.com.au](http://www.a1consolidated.com.au).

## Board Appointments

The Company is pleased to advise that Mr Jamie Cullen and Mr Anthony Gray have joined the Board as a Non-Executive Directors.

Mr Jamie Cullen is a Qualified Chartered Accountant who has spent last 20 years as CEO of two listed companies, PCH Group Ltd and Resource Equipment Limited. Jamie has extensive commercial and practical experience in growing businesses domestically and internationally, both organically and through acquisitions. He also has considerable financial and corporate governance experience and has served as a director of several listed companies..

Mr Anthony Gray is a Geologist and the founding Managing Director of Octagonal. Anthony has extensive experience in the exploration, discovery, and definition of gold and base metal deposits within Australia, focussing on the development of Greenstone and Slate Belt hosted gold deposits within Victorian and Western Australia.

Dr John Clout, an associate of Squadron Resources Pty Ltd, has been appointed as technical adviser to the Board. Dr Clout will provide support as the A1 Gold Mine moves towards production in the second half of this year. Once production has commenced, he will assist in maximising the potential of the A1 Gold Mine, Maldon Gold Operations and the Company's tenement holdings.





## Safety

There were no lost time injuries during the quarter.

The Company has achieved in excess of 235,000 hours lost time injury free (LTI) at the end of the June 2015 Quarter.

A1 Gold Mine	(MIN5294)	223,091 hrs	
Maldon Gold Operations	(MIN5146)	12,455 hrs	(Under Maldon Management Agreement)

## A1 Gold Mine

### Decline and Lateral Development

During the June 2015 Quarter, the Company continued Decline development at the A1 Gold Mine and by the end of the quarter, the decline face was at the 1454 RL level. Development was also undertaken on the 1460 Access Drive, where the Company's initial high grade production area is located.

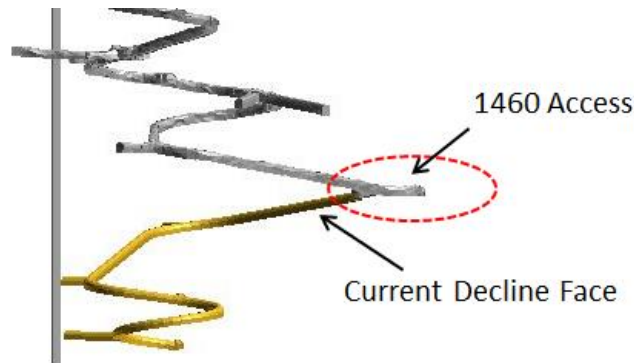


Figure 1. Isometric view of A1 Mine Decline

### A1 Mine 1460 High Grade Zone

As announced on 6 May 2015, the 1460 area contains a series of gold-bearing quartz reefs defined by a cluster of narrow high grade drilling intersections including 0.2m @ 569.65 g/t Au. These intercepts occur both within dyke and sediments.

The style of mineralisation is typical of the upper levels of the A1 Gold Mine, where stacked or narrow individual high grade quartz veins were mined and averaged 25g/t Au over the life of the mine.

Unlike the majority of the current A1 Mineral Resource, which is hosted within a stockwork system, the 1460 area is a narrow vein mining opportunity.

Subsequent to the end of the quarter, the 1460 Access Drive has been completed and the mineralised reef exposed. Results from this mining area will be announced as they become available.







## Commencement of ore transport to Maldon Treatment Plant

Subsequent to the end of the quarter, transport of ore from the A1 Mine to the Maldon Treatment Plant commenced on 22<sup>nd</sup> July 2015. This ore is derived from stockpiles of underground reef development at the A1 Mine. There is currently 2000 tonnes available for transport and processing, with underground stoping activity continually adding to the stockpiles.



Figure 2. Loading of ore at A1 Mine ROM Pad





## Maldon Management Agreement (including Gold Production)

As announced on 9 February 2015, the Company and Octagonal entered into a Management Agreement and Deed of Variation to the Share Sale Agreement, whereby A1 Gold took management control of the Maldon Gold Operations whilst both companies worked towards completion of the Share Sale Agreement ( which occurred 25 June 2015).

A1 Gold and Octagonal agreed on an approved mining plan for the Maldon Gold Operations and during the June Quarter, work completed at the Union Hill Mine included:

- narrow vein airleg mining of ore from the 1080-1100 Level Western Lode;
- mining of a trial long hole stope on the western lode above the 1100 level; and
- completed the processing of the 5,200 tonne, development ore stockpile already crushed at the Maldon Treatment Plant.

As also announced on 27 March 2015, A1 Gold completed its maiden gold pour at the Maldon Treatment Plant. In the June quarter, the Company has continued ore processing and produced a further three gold doré bars.

The Maldon Treatment Plant has operated to plan, with average recoveries of 90% achieved.

**Table 1: Maldon Treatment Plant production data**

Mill Feed Data	Dry Tonnes (t)	Grade (g/t)	Contained Gold (g)	Recovery (%)	Fine Gold Outturn (g)
<b>Union Hill Underground</b> 1080-1100 Stope 1080 X-Cut 1100 West longhole Stope	1317	8.44	11,118		
<b>Development Ore Stockpile</b>	5256	2.00	10,512		
<b>Total</b>	6573		21,630	90.02	19,471

Revenue from gold sales during the Quarter totalled \$955,000, with the majority of these funds invested in repairs and upgrades to the Maldon Treatment Plant and production mining at the Union Hill Mine (Maldon Gold Operations).







## Production Mining at Maldon Gold Operations

### 1080-1100 Stope

The initial narrow vein airleg stope between the 1080 and 1100 levels on the Western Lode was completed in the June quarter. A total of 617 tonnes of ore was mined for a preliminary reconciled grade of 11.0g/t against a forecast grade of 8.0g/t, which was based on grades from limited sludge data and face sampling on the 1100 Level.

Stope reconciliation grades were determined by averaging 41 grab samples of 3-5 kg that were taken continuously during stoping from either the fired dirt or draw point stockpiles. The grab samples averaged 10.4g/t uncut and 8.9g/t with a 20g/t cutoff. These grab samples reconciled well against the estimated mill feed grade of 8.44 g/t Au (refer to Table 1).

Face sampling was routinely carried out across the reef structure, with results up to 75g/t returned and samples over 25g/t common. The face sample data was not used in reconciliation calculations; however, this data was used as an indicator of reef grades and grade distribution.

### 1100 West Longhole Stope

A trial longhole stope was completed above the 1100 level on the western lode, which is an updip extension on the 1080-1100 airleg stope. Three rises that were established on the western lode, corresponding with high grade backs sampling, were mined to a maximum height of 9m. It was between these three rises that a trial longhole stope was mined. A total of 565 tonnes was mined for a preliminary reconciled grade of 6.8 g/t.

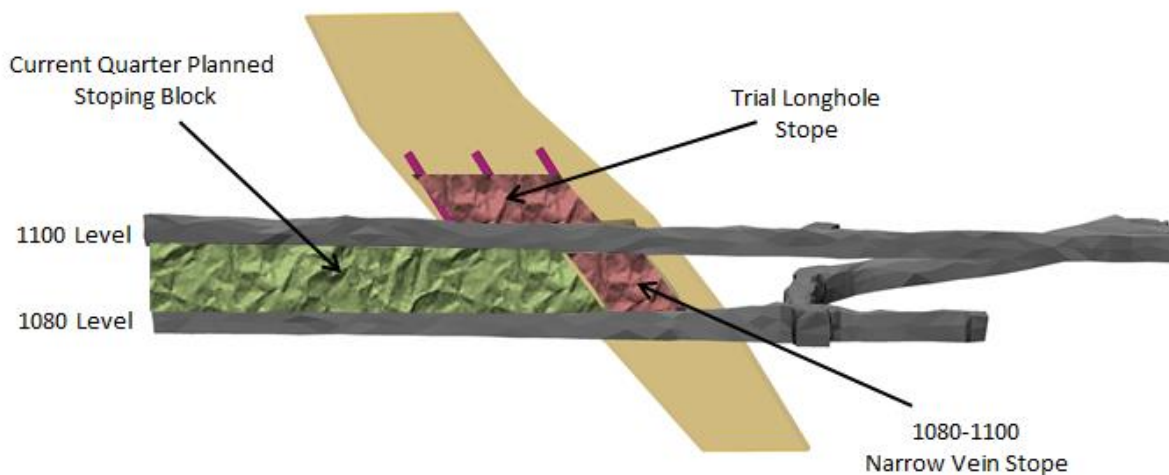


Figure 3. Alliance South Deposit Western Reef  
Long section of the 1100 Level and 1080 Level Stopping Areas





## 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 150,000 tpa Maldon gold processing facility.

As announced on 29 August 2014, the Company has entered into an option agreement with Orion Gold NL (ASX:ORN) to acquire Orion Gold's Walhalla tenements.

Figure 4: Location of Projects

