



A1 Consolidated Gold

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

Contact:

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ASX Release – 31st March 2016

Equity for Mining Services and Operations Update

A1 Consolidated Gold Limited (ASX:AYC) ("A1 Gold" or the "Company") is pleased to advise that PYBAR Mining Services Pty Ltd ("PYBAR") has agreed to settle the total value of mining services provided to the end of February by the issue of AYC shares.

This investment by PYBAR is a strong endorsement of the Company and its operations.

A1 Gold has issued 41,667,667 fully paid ordinary shares at \$0.024 per share as consideration for services rendered to the value of \$1M in accordance with the initial agreement with PYBAR (refer to ASX Announcement dated 30 December 2015). In addition to this, and at PYBAR's request, the Company has agreed to issue a further 15,183,363 fully paid ordinary shares at \$0.026 per share for the balance of \$394,767.44.

PYBAR is continuing in its role as mining contractor under the Labour, Plant and Equipment hire contract announced on 30 December 2015. It is planned that PYBAR will move to a fixed and variable contract in line with normal industry practice towards the middle of this year.

Operational Update

Mining

As announced on 1 March 2016, development at the A1 Gold Mine has reached the Company's primary production target. Mining of the 1400 Ore Zone is progressing, with ore development well advanced on the 1410 North Drive.

Treatment

Gold production from the 1400 Ore Zone has commenced. Mined ore from the 1410 North Drive is being trucked to the Company's Maldon Treatment Plant during weekdays with the mill currently operating on a single shift. The Company expects to ramp up to 24 hour operations as ore stocks increase at the mill.

Geology

Mineralisation on the 1410 Level is concentrated within dilational breccia zones, with higher gold grades located near the intersection of shear zones. Mined and recovered gold grades broadly align with those expected for the level being mined.





Mining

Mining of the A1 Gold Mine 1400 Ore Zone has commenced, with ore development well advanced on the 1410 North Drive. As expected, several small voids associated with the historical 14 Level development have been intersected with little or no impact on the current ore drive development.

Ground conditions within the mineralised dyke are competent, with good rates of advance being achieved.

As part of the ongoing mine development, the 1410 South primary vent drive has been completed and stockpile 10 established, ready for development to the 1380 Level.

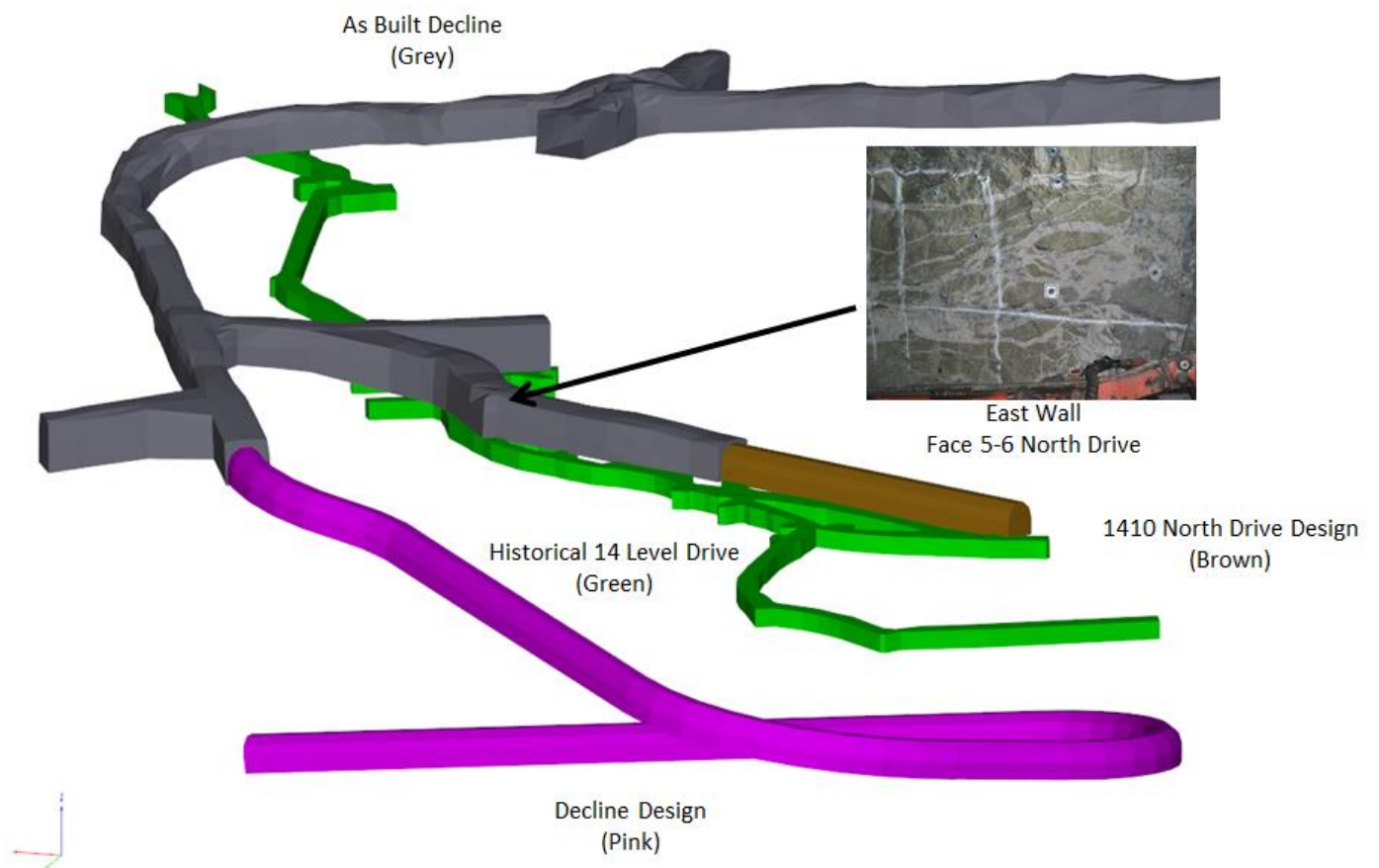


Figure 1. Isometric view of the A1 Mine Decline and current 1410 North Ore Development





Treatment

The Company commenced gold production from the 1400 Ore Zone in late March, with the pouring of a 4.0kg gold doré bar (bar number AYC-010), which is currently being refined.

Ore produced from the 1410 North Drive is currently being trucked to the Maldon Treatment Plant during weekdays with the mill operating on a single shift basis. Milling operations will commence 24hr operations shortly, as ore stocks increase at the Mill.

To date, the ore grades and gold recoveries at the mill appear to be close to those expected. Full metallurgical reconciliations are conducted on a monthly basis, in line with standard metallurgical practices.

The Maldon Treatment plant is achieving forecast throughput rates and availability.



Figure 2. Night view of the Maldon Treatment Plant



Geology

From initial development on the 1410 North Drive and Access, it appears that the ore being mined is not a traditional “stockwork zone”, with the main control on the distribution of gold interpreted to be dilational breccias forming on shear zones. Underground diamond drilling is planned, incorporating this new data, to refine the geological model and better define the geometry and extent of the resource. If the main controls are confirmed to be dilational breccia zones, ore development could be more predictable and consistent than previously thought.

The 1410 North Drive is near the top of the 1400 Ore Zone, with some inconsistency in the gold grades and reef development reflective of this. Benching on this level has been successful in exposing more consistent reef development and grades.

Mineralisation has been concentrated within dilational breccia zones, with higher gold grades near the intersection of multiple shears. Frequent fine arsenopyrite is present within the reef, predominately in the form of stylolites and disseminated within the surrounding dyke host rock. Fine visible gold is present, associated with sulphidic stylolites with occasional sphalerite and galena. The geology exposed on the 1410 Level around the intersection with historic diamond drill hole L7_0010A (12.2 metres grading 10.8 g/t Au from 279.8 metres (30 g/t Au upper-cut)) is consistent with that seen in the drill hole.

The north drive is continuing to the north, exposing narrow reef development with occasional clusters of visible gold.

The current decline and 1410 North Drive locations will offer an ideal platform for delineation drilling below the 1410 level, providing further resource definition, including the under-drilled northern section.

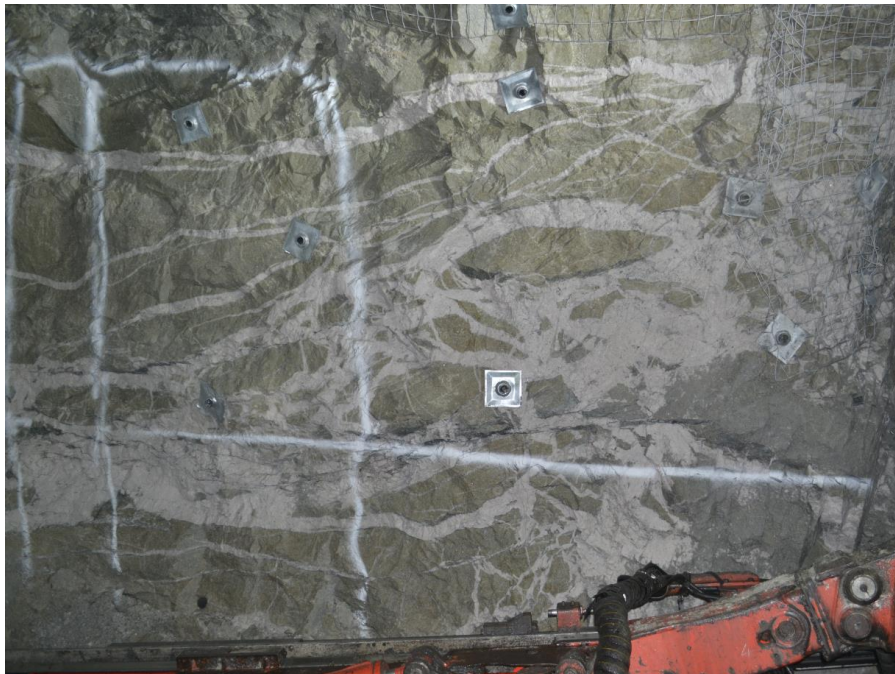


Figure 3. The east wall of cut 5 shows a dilational breccia zone proximal to the intersection with drill hole L7_0010A. Fine visible gold and strong sulphide mineralisation is present within the breccia zone.





About the Company

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

The Company is also developing the Union Hill Mine at Maldon and the Eureka and Tubal Cain deposits near Walhalla to provide high-grade ore to supplement the A1 Mine production.

Location of Projects





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 2012 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.

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.

