

A1 CONSOLIDATED GOLD LTD

ABN 50 149 308 921

PROSPECTUS

For a renounceable pro rata Entitlements Offer to Eligible Shareholders of up to 138,172,313 New Shares on the basis of 1 New Share for every 4 Shares held at 5.00pm (WST) on the record date of 15 August 2016, at an issue price of \$0.024 per New Share (together with one free attaching New Option for every 3 New Shares subscribed for and issued) to raise up to approximately \$3,316,136 before issue costs

The Entitlements Offer is underwritten by Patersons Securities Limited. Refer to Section 5.8 for details regarding the terms and conditions of the Underwriting Agreement

Underwriter and Lead Manager

Patersons Securities Limited

ABN 69 008 896 311

ASFL 239 052

THIS OFFER CLOSSES AT 5.00PM WST ON 31 AUGUST 2016

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

IMPORTANT NOTICE

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY (INCLUDING THE RISK FACTORS IN SECTION 3 OF THE PROSPECTUS). THIS PROSPECTUS IS A TRANSACTION-SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION 713 OF THE *CORPORATIONS ACT 2001*. IF YOU HAVE ANY QUERIES ABOUT ANY PART OF THE PROSPECTUS, PLEASE CONTACT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

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CORPORATE DIRECTORY

Directors	Dale Rogers – Executive Chair James Cullen – Non-Executive Director Anthony Gray – Non-Executive Director
Company Secretary	Dennis Wilkins
Registered Office	C/- Herries Davidson & Co 32 Clifford Street GOULBURN NSW 2580
Website	www.a1consolidated.com.au
Underwriter and Lead Manager	Patersons Securities Limited Level 23, Exchange Tower 2 The Esplanade PERTH WA 6000
*Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
Solicitors	Price Sierakowski Corporate Level 24, 44 St Georges Terrace PERTH WA 6000
*Auditors	HLB Mann Judd Level 4, 130 Stirling Street PERTH WA 6000
ASX Code	AYC

*These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

IMPORTANT NOTICES

General

This Prospectus is dated 9 August 2016 and a copy of this Prospectus was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

No New Shares or New Options will be allotted or issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus. The Company will apply to the ASX within 7 days of the date of this Prospectus for quotation of the New Shares and New Options offered by this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005) during normal office hours and can be downloaded from the Company's website at www.a1consolidated.com.au or the ASX website and Eligible Shareholders will be mailed a hard copy of this Prospectus along with a personalised Entitlement and Acceptance Form. Applications for New Shares offered pursuant to this Prospectus may only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlements Offer. Eligible Shareholders who do not take up their Entitlement will have their existing interest in the Company diluted. Please refer to Section 2 for details of how to accept the Entitlements Offer.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus or inconsistent with the information in this Prospectus. Any information or representation not so contained, or inconsistent with the information in this Prospectus, may not be relied on as having been authorised by the Company in connection with the Offer.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

This Prospectus should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your professional adviser. The New Shares and New Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks. Investors should consult their stockbroker, lawyer, accountant or other professional advisers regarding an investment in the Company if necessary.

Some words and expressions used in this Prospectus have defined meanings which are explained in Section 7 of this Prospectus. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Perth, Western Australian time.

Forward Looking Statements

Some of the statements in this Prospectus may be in the nature of forward looking statements which incorporate an element of uncertainty or risk, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or

results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. The forward looking statements in this Prospectus reflect views held only as at the date of this Prospectus.

Overseas Shareholders

This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to permit the offer of New Shares or New Options under this Prospectus in any jurisdiction other than Australia or New Zealand. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this document should seek advice on, and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor the New Shares or New Options the subject of the Offer have been, nor will be, registered under the *US Securities Act 1933* and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by Security Transfer Registrars Pty Ltd). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, printed service providers, mail houses and Security Transfer Registrars Pty Ltd.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

You can access, correct and update the personal information that the Company holds about you, subject to certain exemptions at law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office. Please contact the Company or Security Transfer Registrars Pty Ltd if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

A1 CONSOLIDATED GOLD LIMITED
INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a pro-rata renounceable Entitlements Offer.</p> <p>Under the Entitlements Offer, Eligible Shareholders may subscribe for 1 New Share for every 4 Shares held on the Record Date and will receive 1 New Option for every 3 New Shares subscribed for and issued.</p>	Section 1.1
What are the issue prices for the New Shares and New Options?	The Issue Price is \$0.024 per New Share and nil for the New Options.	Section 1.1
What are the terms of the New Shares and New Options	<p>The New Shares will rank equally with all other Shares on issue. A summary of the terms and conditions is set out in Section 5.1</p> <p>The New Options will rank equally with all other Listed Options (AYCO) on issue, on the terms and conditions set out in Section 5.2.</p> <p>Under the terms of the Company's Listed Options, as a consequence of the Entitlements Offer, the exercise price of the Listed Options (currently \$0.03), including the New Options, will be varied in accordance with the formula in Listing Rule 6.22.2 and will be advised to the market at the conclusion of the Entitlements Offer.</p>	Sections 1.14, 5.1 and 5.2
Who is an Eligible Shareholder?	The Entitlements Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.	Section 1.1(b)
How many New Shares and New Options will be issued?	<p>The expected maximum numbers of New Shares and New Options that will be issued under the Entitlements Offer are approximately 138,172,313 New Shares and 46,057,438 New Options.</p> <p>Where Option holders who reside in Australia or New Zealand exercise their Options before the Record Date, they will be entitled to participate in the Entitlements Offer. This will increase the maximum number of New Shares and New Options that may be issued under the Entitlements Offer.</p> <p>Where Noteholders who reside in Australia or New Zealand convert their Convertible Notes before the Record Date, they will be entitled to participate in the Entitlements Offer. This will increase the maximum number of New Shares and New Options that may be issued under the Entitlements Offer.</p>	
What is the amount that will be raised under the Entitlements Offer?	At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is approximately \$3,316,136, before expenses. If the existing Option holders exercise their Options, or the Noteholders convert their Convertible Notes, before the Record Date so as to participate in the Entitlements Offer, the amount raised under the Entitlements Offer may increase.	Section 1.1
What are the arrangements with the Lead Manager and Underwriter?	<p>Patersons Securities Limited is the Lead Manager and is underwriting the Entitlements Offer.</p> <p>The fees of the Underwriter and Lead Manager are set out in Section 5.8.</p>	Sections 1.1 and 5.8

A1 CONSOLIDATED GOLD LIMITED
INVESTMENT OVERVIEW

<p>What are the purposes of the Offer?</p>	<p>The purpose of the Entitlements Offer is to raise funds for:</p> <ul style="list-style-type: none"> • payment of outstanding amounts owing to PYBAR and outstanding emoluments owing to a Director and a former director of the Company; • payment of the costs of the Entitlements Offer process including the underwriting fee; and • general working capital, to undertake the following activities: <ul style="list-style-type: none"> ○ recommence production with mechanised development and ore development; ○ support the “flying squad” to optimise air leg operations to enhance production; ○ complete improvements to the A1 Gold Mine’s services and networks; and ○ continue the accelerated drilling campaigns seeking to add more confidence to the 6-12 month schedule, <p style="margin-left: 40px;">with the balance of funds for those activities to be sourced from operating revenue.</p> <p>A budget of how the Company intends to use the funds raised is set out in Section 1.3. As with any budget, new circumstances may change the way the funds are applied.</p> 	<p>Section 1.3</p>
<p>What is the effect of the Offer?</p>	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> • increase the number of Shares and Options on issue; and • raise approximately \$3,316,136 before the costs of the Offer. 	<p>Section 4.1 and 4.2</p>
<p>What are the risks of a further investment in the Company?</p>	<p>An investment in the New Shares and New Options should be considered highly speculative. Before deciding to subscribe under the Entitlements Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Resource estimates risk – Mineral Resource estimates are expressions of judgement and actual quality and characteristics of ore deposits cannot be known until mining takes place. • Additional funding requirements – receipt of funds pursuant to the Entitlements Offer will not be sufficient to enable the Company to carry out all of the activities stated in relation to the use of funds for working capital. The Company plans to fund the balance from operating revenue and its ability to do so varies according to a number of factors and cannot be guaranteed. • Gold price and exchange rate risk – the Company’s income from gold production is exposed to gold price and exchange rate risk. 	<p>Section 3.1</p>

	<ul style="list-style-type: none"> • Operating risk – The Company's operations, including production operations, may be affected by various factors, including industrial accidents, technical failures, access arrangements, unanticipated metallurgical problems, labour disputes, risk from third parties providing services essential to production and changes arising to the assumptions in the mining model. • Default risk - The Company is currently a party to the Convertible Note Agreements. If the Company is unable to repay the Noteholders as required under the Convertible Note Agreements or if it defaults on its obligations under the Relevant Documents, the Company will be at risk of Squadron (on behalf of all Noteholders) seeking to commence default proceedings and enforcing its rights under those Relevant Documents (including selling some or all of the Company's assets). • Exploration costs risk – The Company's estimated exploration costs are based on assumptions and subject to significant uncertainties. 	
<p>What are the alternatives for Eligible Shareholders?</p>	<p>The Entitlements Offer is renounceable so that you are able to trade your Entitlement.</p> <p>As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> • take up all of your Entitlement; • take up all of your Entitlement and apply for Shortfall Shares; • take up part of your Entitlement and; <ul style="list-style-type: none"> ○ sell the balance on the ASX; ○ sell the balance other than on the ASX; ○ allow the balance to lapse; • sell all of your Entitlement on the ASX; • sell all of your Entitlement other than on the ASX; or • allow all of your Entitlement to lapse. 	<p>Section 2</p>
<p>What happens if Eligible Shareholders don't accept their Entitlement?</p>	<p>Any Entitlement not accepted will form part of the Shortfall.</p> <p>The Underwriter must apply for the Shortfall Shares in accordance with the terms of the Underwriting Agreement. The Underwriter has appointed sub-underwriters to subscribe for the Shortfall.</p> <p>Eligible Shareholders are entitled to apply for Shortfall Shares. The Shortfall Shares will be placed at the discretion of the Directors, as directed by the Underwriter.</p>	<p>Section 1.2, 1.4 and 1.11</p>
<p>What will happen to Ineligible Shareholders' Rights?</p>	<p>The Company has appointed the Underwriter as nominee to sell the Ineligible Shareholders' Rights. The Underwriter will sell the Ineligible Shareholders' Rights and distribute the proceeds of the sale net of expenses (in Australian dollars) to each of the Ineligible Shareholders in proportion to their shareholdings.</p>	<p>Section 1.10</p>

A1 CONSOLIDATED GOLD LIMITED
PROPOSED TIMETABLE

PROPOSED TIMETABLE

Prospectus lodged with the ASIC	9 August 2016
Notice sent to Option holders	10 August 2016
Notice sent to Shareholders containing Appendix 3B details and indicative timetable	11 August 2016
Last date to purchase Shares on market to participate in Entitlements Offer	11 August 2016
"Ex" Date ¹ and Rights trading commences	12 August 2016
Record Date (5:00pm WST) for determining Entitlements	15 August 2016
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	18 August 2016
Opening Date of Entitlements Offer	18 August 2016
Rights trading ends	24 August 2016
New Shares and New Options quoted on a deferred basis	24 August 2016
Last day to extend the Closing Date	26 August 2016
Closing Date for Acceptances and receipt of application under the Entitlements Offer at 5.00pm (WST)	31 August 2016
Notify the ASX of Shortfall	5 September 2016
Allotment and issue of New Shares and New Options and despatch of holding statements	7 September 2016
Date of quotation of New Shares and New Options and trading of New Shares and New Options is expected to commence	8 September 2016
Issue of Shortfall Shares and Shortfall Options to Underwriter (on or around)	8 September 2016

1. The date on which Shares commence trading without the Entitlement to participate in the Entitlements Offer

This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the above dates without prior notice including extending the Closing Date, or to delay or withdraw the Offer at any time. If withdrawn, all Application Money for New Shares which have not been issued will be refunded (without interest) as soon as practicable. **Applicants are therefore urged to lodge their Entitlement and Acceptance Form as soon as possible.**

1. Details of the Offer

1.1. The Entitlements Offer

(a) Overview

The Company is making a renounceable pro rata offer of New Shares to Eligible Shareholders of up to 138,172,313 New Shares (assuming no existing Options are exercised and no Convertible Notes are converted between the lodgement date of this Prospectus and the Record Date) on the basis of 1 New Share for every 4 Shares held at 5:00pm (WST) on the Record Date at an issue price of \$0.024 each (together with 1 free attaching New Option for every 3 New Shares subscribed for and issued) to raise approximately \$3,316,136 before issue costs (**Entitlements Offer**). The Entitlements being offered are renounceable which means that Eligible Shareholders can sell or transfer their Entitlement during the course of the Entitlements Offer. Rights trading commences on 12 August 2016 and ceases on 24 August 2016. For information on how to deal with your Entitlement, please refer to Section 2.

(b) Eligible Shareholders

Eligible Shareholders may participate in the Entitlements Offer. Eligible Shareholders are those persons who:

- (i) are registered as a holder of Shares as at 5.00pm (WST) on the Record Date; and
- (ii) have a registered address in Australia or New Zealand.

Please refer to Sections 1.9 to 1.11 regarding the treatment of overseas Shareholders.

(c) Minimum Subscription

There is no minimum subscription for the Entitlements Offer.

(d) Underwriting and sub-underwriting

The Entitlements Offer is underwritten by Patersons Securities Limited. Refer to Section 5.8 for a summary of the terms of the Underwriting Agreement including the commission payable to the Underwriter for underwriting the Entitlements Offer and the circumstances in which it may be terminated.

The Underwriter has entered into sub-underwriting agreements with several parties including parties associated with Dale Rogers, Jamie Cullen and Anthony Gray, Directors of the Company. Refer to Section 5.9 for further details relating to the sub-underwriting arrangements with Directors.

(e) Fractional Entitlements

Fractional Entitlements of the Entitlements Offer will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements.

(f) Your Entitlement and Acceptance

Eligible Shareholders who are on the Company's share register at 5.00pm (WST) on the Record Date, being 15 August 2016, are eligible to participate in the Entitlements Offer. The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

This Entitlements Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Entitlements Offer period or close the Entitlements Offer early. Instructions for accepting your Entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

You do not need to take any action in relation to the New Options. New Options will be issued to you by the Company for no consideration on the basis of 1 New Option for every 3 New Share issued to you.

(g) Rights trading

The Entitlements, or Rights, to New Shares are renounceable, which enables Eligible Shareholders who do not want to take up some or all of their Entitlement to sell or otherwise transfer all or part of their Entitlement. Eligible Shareholders may apply for Shortfall Shares if they wish to do so. Trading of Rights on the ASX is expected to commence on 12 August 2016 and end on 24 August 2016.

(h) Opening and Closing Dates

The Offer will open for receipt of Acceptances on 18 August 2016 and will close at 5.00pm (WST) (3.00pm (WST) for BPAY®) on the Closing Date, being 31 August 2016 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

(i) Applying for Shortfall Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlement, apply for Shortfall Shares in excess of their Entitlement. Applications for Shortfall Shares will be dealt with under the Shortfall Offer as detailed in Section 1.2 below.

1.2. Shortfall Offer

New Shares not taken up by Eligible Shareholders pursuant to their Entitlements will form part of the Shortfall Offer (together with 1 free attaching Shortfall Option for every 3 Shortfall Shares subscribed for and issued) to the Underwriter in accordance with the Underwriting Agreement. The issue price of any Shortfall Shares offered pursuant to the Shortfall Offer will be \$0.024 each, being the price of the New Shares offered to Eligible Shareholders pursuant to the Entitlements Offer. Shortfall Shares and Shortfall Options will only be issued to the Underwriter (or its nominees) if the Entitlements Offer is undersubscribed.

As stated in Section 1.1(i), Eligible Shareholders may apply for Shortfall Shares. It is possible that there will be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that, in the event Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Money will be refunded without interest. The Company reserves the right to scale back or decline to accept any applications for Shortfall Shares as directed by the Underwriter in its absolute discretion.

1.3. Purpose of the Offer

The purpose of the Entitlements Offer is to raise approximately \$3,316,136 before issue costs.

The Directors intend to apply the proceeds from the Entitlements Offer as set out below:

Proceeds of the Entitlements Offer	\$
Amounts owing to PYBAR	1,840,000
Outstanding Director and former director emoluments	500,000
Working capital	612,513
Costs of the Offer	363,623
TOTAL	3,316,136

The funds to be added to general working capital will be utilised to undertake the following activities:

- recommence production with mechanised development and ore development;
- support the “flying squad” to optimise air leg operations to enhance production;
- complete improvements to the A1 Gold Mine’s services and networks; and
- continue the accelerated drilling campaigns seeking to add more confidence to the 6-12 month schedule.

The Company plans to source the balance of the funds required for the above activities from operating revenue and its ability to do so varies according to a number of factors and cannot be guaranteed. See Section 3.1 for further information.

The proposed use of funds outlined above is a statement of current intentions as at the date of this Prospectus. Intervening events and new circumstances have the potential to ultimately affect the way funds are expended. The Directors reserve the right to vary the proposed use of funds accordingly.

1.4. Effect of the Entitlements Offer on the Control of the Company

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if, because of the transaction in relation to securities, a person's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%). There are exceptions to that prohibition, including an acquisition pursuant to a rights issue (if the conditions of item 10 of section 611 of the Corporations Act are satisfied).

As the Entitlements Offer may impact on the control of the Company (depending upon the extent to which Eligible Shareholders subscribe for their Entitlements) the exception under item 10 of section 611 may need to be relied upon in relation to any New Shares and New Options to be acquired by the Underwriter, the sub-underwriters and any other person who may acquire an interest in greater than 20% of the Company.

1.5. Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the accepted Entitlement. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of your Entitlement.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.6. Allotment and Application Money

New Shares and new Options will be issued only after all Application Money has been received and the ASX has granted permission for the New Shares and the New Options to be quoted. It is expected that New Shares and New Options will be issued on 7 September 2016 and trading of the New Shares and New Options on the ASX is expected to commence on 8 September 2016.

It is anticipated that securities issued pursuant to the Shortfall Offer will be allotted on 8 September 2016. Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus Application Money will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the allotment and issue of the New Shares, all Application Money received will be held in a special purpose account for the purpose of depositing Application Money. After any Application Money is refunded (if required) and New Shares and New Options are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Holding statements for New Shares and New Options issued under the Entitlements Offer and the Shortfall Offer will be mailed in accordance with the Listing Rules and timetable set out at the commencement of this Prospectus.

1.7. ASX quotation

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares and New Options to be granted Official Quotation. If permission is not granted by the ASX for the official quotation of the New Shares and New Options offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, any Application Money received pursuant to this Prospectus in full (without interest) or otherwise take such steps as required by section 724 of the Corporations Act.

The fact that the ASX may agree to grant Official Quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options. The ASX takes no responsibility for the contents of this Prospectus.

1.8. Issue Outside Australia and New Zealand

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make such an offer. No action has been taken to register or qualify the New Shares or the Entitlements Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside of Australia and New Zealand.

Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Entitlements Offer contemplated by this Prospectus, then the Prospectus and accompanying Entitlement and Acceptance Form are provided for information purposes only.

The Entitlements Offer made to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

1.9. Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlements Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Entitlements Offer is not being extended to any Shareholder outside Australia and New Zealand unless that Shareholder would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlements Offer.

1.10. Appointment of Foreign Holder Nominee

The Company has appointed Paterson Securities Limited as the Company's foreign holder nominee (**Nominee**) for the Shareholders who are ineligible to participate in the Entitlements Offer to arrange the sale of the Entitlements which would have been offered to such Shareholders. The Company will transfer these Entitlements to the Nominee, which will account to the Company's share registry, which will then dispatch the net proceeds (if any) (i.e. sale proceeds after deducting fees and GST) to each Ineligible Shareholder. The fee will be calculated as the higher of \$250.00 or 1% (plus GST) of the value of the Entitlements sold.

The Nominee has the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner of any such sale. Neither the Company nor the Nominee will be subject to any liability for failure to sell the Entitlement or to sell them at a particular price.

If, in the reasonable opinion of the Nominee, there is not a viable market for the Entitlements or a surplus over the expenses of sale cannot be obtained for the Entitlements that would have been offered to the Ineligible Shareholders, then the Entitlements will be allowed to lapse and they will form part of the Shortfall Shares.

1.11. Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlements Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlements Offer is compatible with applicable foreign laws.

1.12. Market price of Shares

The highest and lowest market sale price of the Company's existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the date of lodgement of this Prospectus, are set out below

	3 months high	3 month low	Last market sale price
Existing Shares	\$0.043 on 4 July 2016	\$0.020 on 15 June 2016	\$0.029 on 8 August 2016

1.13. CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of the ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by 7 September 2016 and will contain the number of New Shares and New Options issued to you and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares and New Options. Applicants who sell New Shares or New Options before they receive their statement do so at their own risk.

1.14. Rights and Liabilities attaching to the New Shares and New Options

The New Shares will rank equally in respect of dividends, voting and in all other respects as existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1.

The New Options will rank equally with existing Listed Options. Under the terms of the Company's Listed Options, as a consequence of the Entitlements Offer, the exercise price of the Listed Options (currently \$0.03), including the New Options, will be varied in accordance with the formula in Listing Rule 6.22.2 and will be advised to the market at the conclusion of the Entitlements Offer. A summary of the rights and liabilities attaching to the Listed Options is set out in Section 5.2.

1.15. Risk factors

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The New Shares and New Options should be regarded as speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares under this Prospectus. The risk factors affecting an investment in the Company are set out in Section 3.

1.16. Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares or New Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in

connection with subscribing for New Shares under this Prospectus.

1.17. Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2015 is in the Annual Financial Report which was lodged with the ASX on 30 September 2015.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 September 2015 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Entitlements Offer.

1.18. Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting the Company's Share Registry, Security Transfer Registrars Pty Limited by telephone on +61 (0)8 9315 2333.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9389 2111.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

2. Action required by Eligible Shareholders

2.1. What Eligible Shareholders may do:

The number of New Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form accompanying this Prospectus. If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer to Section 2.2);
- take up all of your Entitlement and apply for Shortfall Shares (refer to Sections 1.1(i) and 2.3); and
- sell all of your Entitlement on the ASX (refer Section 2.4);
- take up part of your Entitlement and sell the balance on the ASX (refer Section 2.5);
- deal with part or all of your Entitlement other than on the ASX (refer Section 2.6); or
- allow all or part of your Entitlement to lapse (refer to Section 2.7).

You do not need to take any action in relation to the New Options. New Options will be issued to you by the Company for no consideration on the basis of 1 New Option for every 3 New Shares issued to you. Fractional entitlements to New Options will be rounded down.

2.2. If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form to apply for the number of New Shares you wish to take up in accordance with the instructions set out in that form and arrange for payment of the Application Money in accordance with Section 2.8. If you elect to pay by BPay®, you do not need to return the Entitlement and Acceptance Form but you will be deemed to have accepted your Entitlements upon receipt of the BPay® payment.

2.3. Applications for Shortfall Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Shortfall Shares in excess of their Entitlement as described in Section 1.1(i).

If you wish to subscribe for Shortfall Shares in addition to your Entitlement, then you should nominate the maximum number of Shortfall Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment of your full Entitlement and the Shortfall Shares (at the issue price of \$0.024 for each Shortfall Share) in accordance with Section 2.8.

Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which cases excess Application Money will be refunded without interest.

2.4. If you wish to sell all of your Entitlement

Complete the section marked "Instructions to Stockbroker" on the back of the Entitlement and Acceptance Form in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on the ASX on 24 August 2016. Sale of your Rights must be completed by 24 August 2016 when Rights trading is expected to cease.

2.5. If you wish to take up part of your Entitlement and sell the balance

Complete the accompanying Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and complete the section marked "Instructions to Stockbroker" on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the completed Entitlement and Acceptance Form to your stockbroker and arrange for payment of the Application Money for the New Shares accepted in accordance with Section 2.8. Your stockbroker will need to

ensure that the completed Entitlement and Acceptance Form reaches the Company's share registry by 5.00pm (WST) on 31 August 2015 (3.00pm (WST) for BPAY®).

Rights trading will commence on the ASX on 12 August 2016. Sale of your Rights must be completed by 24 August 2016 when Rights trading is expected to cease.

2.6. If you wish to transfer your Entitlement other than on the ASX

If you are a Shareholder and hold Shares on the issuer sponsored sub-register, forward a completed standard renunciation and transfer form (obtainable through your stockbroker or the Company's share registry) together with your Entitlement and Acceptance Form completed by the transferee and the transferee's cheque for the appropriate Application Money for the New Shares they wish to subscribe for to the Company's share registry (by post at any time after the issue of this Prospectus and before the Closing Date).

If you are a Shareholder and hold Shares registered on CHESS, you should contact your sponsoring broker.

2.7. Allow all or part of your Entitlement to lapse

If you wish to allow all or part of your Entitlement to lapse, you are not obliged to do anything. The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

You will receive no benefit or New Shares or New Options and your Entitlement will become available as part of the Shortfall Offer. It is therefore important that, if you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

Your Entitlement may have value and accordingly you should consider renouncing (selling) your Entitlements, rather than allowing them to lapse.

The Company and the Underwriter, at their discretion, will deal with any New Shares not accepted.

2.8. Payment

The issue price for New Shares is payable in full on application by a payment of \$0.024 per New Share. You may pay the Application Money by BPay® or cheque.

Completed Entitlement and Acceptance Forms must be accompanied by a bank draft or cheque in Australian dollars, crossed "**Not Negotiable**" and made payable to "**A1 Consolidated Gold Limited**" and lodged and received at the Company's share registry (by delivery or by post) no later than **5.00pm (WST) on the Closing Date**:

By delivery: Security Transfer Registrars Pty Limited
 770 Canning Highway
 APPLECROSS WA 6153

By post: Security Transfer Registrars Pty Limited
 PO Box 535
 APPLECROSS WA 6953

The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your application may be rejected.

Alternatively, if you elect to pay via BPAY®, then you must follow the instructions for BPAY® on the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

It is your responsibility to ensure that funds submitted through BPAY® are received by 3.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

Any Application Money received for more than your Entitlement will be applied toward an application for Shortfall Shares and where such Shortfall Shares are not allotted, shall be refunded. No interest will be paid on any Application Money received or refunded.

2.9. Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares and New Options. The Directors' decision whether to treat an Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Money, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself, or each person on whose account you are acting, that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Entitlements Offer;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares and New Options are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that the New Shares and New Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares and New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the *US Securities Act 1933*; and
- agree that the Company makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlements Offer save as expressly provided in this Prospectus or as required by law.

2.10. Privacy

If you complete an application for New Shares, you will be providing personal information to the Company. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Company's share registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- the Company's share registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and for associated actions.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

3. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks associated with the Company

(a) Resource Estimates

Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, values of ore deposits are based on future costs and future prices and consequently, the actual Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

(b) Additional Requirements for Funding

As disclosed in Section 1.3, receipt of funds pursuant to the Entitlements Offer will not provide all the funds required to undertake its intended activities and the Company may have a working capital deficit after the Entitlements Offer is completed.

The Company will require additional funds, which it intends to source from operating revenue.

In general, the Company's funding requirements depend on numerous factors including the Company's ability to generate income from its mine development project, future exploration and work programs, meeting its future obligations and the acquisition of new projects. It may require further funding in addition to current cash reserves to fund exploration and mine development activities.

The Company's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Company will vary according to a number of factors, including:

- prospectivity of projects (existing and/or future);
- the results of exploration, development and mining;
- stock market and industry conditions; and
- the price of relevant commodities and exchange rates.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(c) Geotechnical Risks

Geotechnical risks arise from the movement of the ground during and following mining activity. Risks may relate to failures in development headings, failures in the old workings that may impact on ventilation, egress from the mine or development and mining operations, stope failures and slippages, to changes to flows in water courses and surface water bodies or they may relate to movements of structures and infrastructure adjacent to or within the mine.

This may result in temporary or permanent access to ore being cut off. The loss of access to ore may have a significant impact on the economics of the ore body. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

Prior assessment of the extent and magnitude of ground movements that could take place and to examine the potential impact of any ground movements within the mine and surrounding area should be evaluated within the mine and surrounding area. If risks are identified appropriate action must be taken and adequate controls implemented to ensure risk levels are maintained at a level which is reasonably practical.

(d) Title and Tenure

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The relevant legislation governing the title and tenure of the Company's tenements is the Mining Act. Under the Mining Act an exploration licence may not be renewed more than once unless exceptional circumstances apply.

The initial grant of exploration licence EL 5499 was granted less than 5 years ago and as such will be subject to the renewal and relinquishment provisions. Subsequent to the initial 5 year grant of an exploration licence, one renewal of up to a further 5 years is permitted. If there are exceptional circumstances a second renewal may be permitted, following which no further renewals will be permitted. Further relinquishment requirements apply, being a 20% reduction at the end of the seventh year of grant, and 10% at the end of the tenth year of grant.

The Company has interests in 8 mining licences which have been granted under the Mining Act. The Mining Act requires that the grant of a new mining licence be subject to the identification of a Mineral Resource. Pursuant to the Mining Act, existing mining licences will continue without the requirement to identify a JORC Code indicated resource or provide a mineralisation report during the current term of the mining licence. Upon renewal of the mining licence, the mining licences held by the Company will be subject to the renewal and relinquishment provisions including the requirement that a Mineral Resource be identified on the tenements.

(e) Reliance on Key Personnel

Several of the Directors have intimate knowledge of the Company's assets, including Executive Chair Mr Dale Rogers. The responsibility of overseeing the Company's day to day operations and setting the Company's strategic direction and policy is substantially the responsibility of Executive Chair, Mr Rogers. Whilst Mr Rogers and the Company have reached a verbal agreement with respect to his employment, a formal written agreement is yet to be entered into by the parties. Please see section 5.9 for further details. There may be a detrimental impact on the Company if Mr Rogers ceases his employment.

(f) Exploration risk

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and

assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(g) Gold Price Volatility and Exchange Rate Risks

Any revenue the Company derives through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, access arrangements, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, problems with the road network and ore haulage operations, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, and plant and equipment and contracting risk from third parties (such as PYBAR) providing services essential to the production.

Specifically, in relation to production:

- the Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents;
- assumptions in the mining models may prove to be wrong including because of changes in economic circumstances or fluctuations in the unitary parameters referred to above,

accordingly, for these and other reasons, no assurances can be given that the Company will achieve commercial viability through the development and/or mining of its projects. Until the Company is able to realise value from its projects, it is likely to incur on-going operating losses.

(i) Failure to Satisfy Expenditure Commitments

Each licence or lease carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Currently, the minimum annual expenditure commitments for all of the Company's granted mining licences (except one) have been met. Minimum expenditure commitments for several exploration licences and one mining licence have not been met. The Company has submitted work plans and is waiting for approval to be given by the Department of Economic Development, Jobs, Transport and Resources (Vic) in order to commence work on those tenements. The Company has applied for exemptions from the expenditure condition in relation to those tenements and expects that the exemptions will be granted.

The Company has also complied with the reporting requirement and has applied for renewals of any tenements which are due for renewal. The Company expects that the renewals will be granted.

(j) Environmental Risks

The Company's exploration programs and any mining operations will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities. As with most mineral exploration and development projects, the Company's activities are expected to have an impact on the surrounding environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligations required, including compliance with the relevant environmental laws.

(k) Aboriginal Sites and Native Title Claims

The Company's tenements are subject to the provisions of the Commonwealth Heritage Act. The Commonwealth Heritage Act contains provisions designed to preserve and protect from injury or desecration areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with aboriginal tradition.

The Company's tenements are also subject to the Victorian Heritage Act which makes it an offence to commit an act which harms Aboriginal culture or heritage. There is a requirement for an Aboriginal site to be registered under the Victorian Heritage Act, by following which consent from the DPCD is required where any use of the land is likely to result in harm to Aboriginal culture or heritage.

The Company must ensure that any interference with such sites is in strict conformity with the provisions of the Commonwealth Heritage Act and the Victorian Heritage Act.

The Company's tenements do not overlap any registered Aboriginal Heritage Sites, however, search results from the DPCD indicate that the tenements are overlapped by an area of cultural sensitivity. There remains a risk that the Company's tenements may contain areas or objects which are of significance to Aboriginal people and the discovery of such an area or object may disrupt the Company's plans for mining its tenements.

(l) Regulatory Risk

The Company's potential mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(m) Default Risk

The Company is currently a party to the Convertible Note Agreements.

Under these agreements, the Company has obligations to either repay outstanding amounts owed by the Company on the relevant due dates, or issue Shares upon receipt of a conversion notice (subject to Shareholder approval if required). The Company's repayment obligations to the Noteholders are secured against the Company's personal property and MIN5294, MIN5146, MIN5528 and MIN5465 pursuant to the General Security Deed and Mining Mortgage. These agreements also have a number of other provisions and covenants that the Company must adhere to.

If the Company is unable to repay the Noteholders as required under the Convertible Note Agreements or if it defaults on its obligations under the Relevant Documents, the Company will be at risk of Squadron (on behalf of all Noteholders) seeking to commence default proceedings and enforcing its rights under those Relevant Documents (including selling some or all of the Company's assets).

(n) Grade Risk

The final grade and recovery of the Company's ore is determined by metallurgical samples and assay results performed by an independent laboratory on representative samples of the ore, loaded carbon and tailings in the mill. The grade and recovery through the mill is determined from those assays however the mine claimed grade may vary from the final recovered grade received from laboratory results. This risk would persist irrespective of whether the Company processed ore through its own mill or batch treating ore at a third party processing facility.

3.4 General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(b) Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

(c) Changes in Government Policy

Adverse changes in Federal or Victorian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Insurance Risks

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive.

(e) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) Trading Risks

The price at which the Company's Shares trade on the ASX may be higher or lower than the issue price of the New Shares pursuant to the Entitlements Offer and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(g) Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee and ex-employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

4. Effect of the Offer

4.1 Principal effect of the Offer

The principal effects of the Entitlements Offer will be to:

- (a) increase the Company's cash reserves by approximately \$3,316,136 (before taking into account the costs of the Entitlements Offer);
- (b) increase the number of Shares on issue from 552,689,252 to up to 690,861,565 (assuming no Options are exercised, or Convertible Notes are converted, prior to the Record Date and Entitlements are taken up in full);
- (c) increase the number of Listed Options on issue from 237,639,276 to up to 283,696,714 (assuming no Options are exercised, or Convertible Notes are converted, prior to the Record Date and Entitlements are taken up in full); and
- (d) provide the Company with additional capital for the purposes referred to in Section 1.3.

The pro-forma Statement of Financial Position summarising the effects of the Entitlements Offer is set out in Section 4.3.

4.2 Effect of the Offer on the Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below (assuming no Options are exercised, or Convertible Notes are converted, by the Record Date):

	Number of Shares
Shares quoted on ASX as at date of Prospectus	552,689,252
New Shares issued pursuant to this Prospectus	138,172,313
Total issued Shares	690,861,565

	Unlisted Options (\$0.05, 30/11/2019)	Unlisted Options (\$0.045, 30/11/2019)	Listed Options (AYCO) (\$0.03 ⁽¹⁾ , 30/11/2019)	Convertible Notes (\$0.035, 25/06/2018)
Convertible securities as at date of Prospectus	9,000,000	15,000,000	237,639,276	71,428,565
Listed Options issued pursuant to this Prospectus	Nil	Nil	46,057,438	Nil
Total issued convertible securities	9,000,000	15,000,000	283,696,714	71,428,565

⁽¹⁾ Subject to the adjustment under Listing Rule 6.22.2 as a consequence of the Entitlements Offer.

The Company has 270,639,276 Options on issue at the date of this Prospectus. These Options have an exercise price of \$0.05, \$0.045 and \$0.03 (refer to the table above for further details). The holders of these Options are not entitled to participate in the Entitlements Offer unless the Options are exercised into Shares prior to the Record Date. If all of the Options currently on issue are exercised prior to the Record Date and Shareholders take up their full Entitlement under the Entitlements Offer, an additional 270,639,276 Shares will be issued pursuant to the exercise of Options and up to an additional 67,659,819 New Shares and 22,553,273 New Options may be issued pursuant to the Entitlements Offer. However, given that the exercise prices of the Options are higher than the current market price of the existing Shares the Directors are of the opinion that the probability of Option holders exercising their Options prior to the Record Date is low.

The Company has 71,428,565 Convertible Notes on issue at the date of this Prospectus. These Convertible Notes have a face value of \$0.035. The holders of these Convertible Notes are not entitled to participate in the

Entitlements Offer unless the Convertible Notes are converted into Shares prior to the Record Date. If all of the Convertible Notes currently on issue are converted prior to the Record Date and Shareholders take up their full Entitlement under the Entitlements Offer, an additional 71,428,565 Shares will be issued pursuant to the conversion of Convertible Notes and up to an additional 17,857,141 New Shares and 5,952,380 New Options may be issued pursuant to the Entitlements Offer. However, given that the face value of the Convertible Notes is higher than the current market price of the existing Shares the Directors are of the opinion that the probability of Noteholders converting their Convertible Notes prior to the Record Date is low.

The Convertible Note Agreements provide for an anti-dilution mechanism. As the issue price for the New Shares is at a discount of greater than 20% to the 5 day volume weighted average price prior to the announcement of the Entitlements Offer on 27 July 2016, the anti-dilution mechanism applies and, may result in an increase in the total number of Shares issued on conversion of the Convertible Notes. Under the Convertible Note Agreements, the adjustment to the number and issue price of the Shares issued upon conversion of the Convertible Notes will be agreed with the representative noteholder, currently Squadron, or failing agreement, by an independent financial adviser. As soon as the outcome of this process is known, the market will be advised accordingly.

4.3 Statement of Financial Position

Set out below is the Consolidated Statement of Financial Position of the Company as at 30 June 2016 unaudited and the Consolidated Pro-Forma Statement of Financial Position as at 30 June 2016 unaudited assuming full subscription. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based on are contained in the audited financial report for the 12 months ended 30 June 2015.

Unaudited Statement of Financial Position as at 30 June 2016

The Pro-Forma Statement of Financial Position assumes the following:

- (a) the issue of 138,172,313 New Shares offered pursuant to this Prospectus at \$0.024 each on the basis of 1 New Share for every 4 Shares held (together with 46,057,138 free attaching New Options) to raise approximately \$3,316,136 has been completed; and
- (b) the estimated costs of the Offer are approximately \$363,623, which amounts are shown as a deduction against issued capital.

A1 CONSOLIDATED GOLD LIMITED
EFFECT OF THE OFFER

A1 Consolidated Gold Limited
Statement of Financial Position

	UNAUDITED 30 June 2016 \$	UNAUDITED PROFORMA 30 June 2016 \$
CURRENT ASSETS		
Cash and cash equivalents	334,919	3,287,432
Trade and other receivables	414,456	414,456
Inventories	106,689	106,689
Other	132,171	132,171
TOTAL CURRENT ASSETS	988,235	3,940,748
NON-CURRENT ASSETS		
Property, plant and equipment	7,364,773	7,364,773
Exploration, evaluation and development assets	29,157,579	29,157,579
Other	996,500	996,500
TOTAL NON-CURRENT ASSETS	37,518,852	37,518,852
TOTAL ASSETS	38,507,087	41,459,600
CURRENT LIABILITIES		
Trade and other payables	3,671,047	3,671,047
Borrowings	118,951	118,951
Provisions	246,312	246,312
Other	40,800	40,800
TOTAL CURRENT LIABILITIES	4,077,110	4,077,110
NON-CURRENT LIABILITIES		
Borrowings	2,247,471	2,247,471
Provisions	1,186,500	1,186,500
TOTAL NON-CURRENT LIABILITIES	3,433,971	3,433,971
TOTAL LIABILITIES	7,511,081	7,511,081
NET ASSETS	30,996,006	33,948,519
EQUITY		
Issued capital	45,120,150	48,072,663
Reserves	5,733,848	5,733,848
Accumulated losses	(19,857,992)	(19,857,992)
TOTAL EQUITY	30,996,006	33,948,519

4.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5. Additional information

5.1 Rights attaching to Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on the ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including the New Shares) are:

- (a) described in the Company's Constitution; and
- (b) regulated by the Corporations Act, Listing Rules and the general law (applicable law).

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of rights and liabilities of Shareholders. All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally in all respects with the Company's existing Shares.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- i each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii on a poll, every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), dividends declared will be paid according to the amounts paid as paid on the shares for which the dividends are paid.

(c) Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid-up or credited as paid up on the Shares.

(d) Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Settlement Operating Rules and Listing Rules, Shares are freely transferable.

(e) Issue of further Shares

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) General Meetings

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

(g) **Variation of Rights**

Subject to the terms of issue of shares in a particular class, the Company, with the sanction of a special resolution passed at a meeting of Shareholders or with the consent in writing of members who are entitled to at least three quarters of the votes that may be cast in respect of Shares in that class, may vary or cancel the rights attached to shares in that class or convert shares from one class to another class.

(h) **Shareholder Liability**

As the New Shares will be fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(i) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) **Listing Rules**

As long as the Company is admitted to the Official List, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. If as a result of an amendment to the Listing Rules, there is an inconsistency between the Constitution and the Listing Rules, the Company shall, subject to the Corporations Act, do all things necessary to change the Constitution to remove the inconsistency as soon as possible and in any event, at the first general meeting of the Company held after the date on which the relevant amendment the Listing Rules comes into operation.

5.2 Rights attaching to the New Options

The New Options issued pursuant to this Prospectus will rank equally with the Company's existing Listed Options. As a consequence of the Entitlements Offer, the exercise price of the Listed Options, including the New Options, will be varied in accordance with the formula in Listing Rule 6.22.2 (as set out in term (g) below) and will be advised to the market at the conclusion of the Entitlements Offer. The Company's Listed Options have the following terms and conditions.

(a) **Entitlement**

Subject to Option terms (f), (g) and (h), each Option entitles the registered Option holder to subscribe for and be allotted one Share in the capital of the Company, credited as fully paid, at an exercise price of \$0.03 per Share (subject to the adjustment under Listing Rule 6.22.2 as a result of the Entitlements Offer).

The Company must, as soon as it is reasonably practicable to do so, allot Shares on exercise of the Option in accordance with the Listing Rules (if the Company is listed at the time of exercise of the Option) and register the Option holder or its nominee as a Shareholder in the register of members in respect of the Shares so allotted. No Option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.

Shares issued on the exercise of Options will rank *pari passu* with all existing Shares in the capital of the Company from the date of issue.

(b) **Exercise of Options**

An Option is exercisable by the registered Option holder lodging notice of exercise of option together with the exercise price for each Share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The Options may be exercised in whole or in part and, if exercised in part, multiples of 1,000 must be exercised on each occasion. Subject to the expiry date, the exercise of some Options only does not affect the registered Option holder's right to exercise other Options at a later time.

Remittances must be made payable to the Company and cheques should be crossed "not negotiable".

Options may be exercised at any time on or before 5.00pm WST on 30 November 2019.

An Option not exercised by 5.00pm WST on 30 November 2019 lapses.

(c) **Transfer**

Subject to any restrictions imposed by ASX, Options may be transferred at any time before lapsing.

(d) **Quotation**

The Company will apply to the ASX for Official Quotation of the Options within 7 days after the date of this Prospectus.

The Company will apply to the ASX for Official Quotation of the Shares issued on any exercise of an option within 10 business days after the allotment of those Shares.

(e) **Dividends**

Shares issued on any exercise of an Option will rank pari passu with all existing Shares in the capital of the Company from the date of issue and will be entitled to dividend for which the books closing date for determining entitlements falls after the date of issue.

(f) **Bonus issue**

If the Company makes a bonus issue of Shares or other securities pro rata to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- an Option has not been exercised in full; or
- an Option has been exercised, but Shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of Shares over which the Option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(g) **Rights issue**

If the Company makes an offer of Shares pro rata to all or substantially all holders of ordinary Shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

(h) **Reconstruction**

The rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(i) **Advice**

The Company must give notice to the Option holder of any adjustment to the number of Shares which the Option holder is entitled to subscribe for or be issued on exercise of the Option or the exercise price per Share in accordance with the Listing Rules.

(j) **Right to participate in future issues**

The Option holder may only participate in new issues of securities to holders of Shares to the extent the Option has been exercised, if that is permitted by its terms, and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

5.3 Nature of this Prospectus

This Prospectus is a "transaction specific prospectus" issued under the special content rules for continuously quoted securities set out in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities and options to acquire continuously quoted securities with modified disclosure requirements if they satisfy certain requirements. The New Shares (and New Options) which will be issued pursuant to this Prospectus are in the same class of Shares (and Listed Options) that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information

reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares and New Options offered pursuant to this Prospectus.

This Prospectus is intended to be read in conjunction with publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company.

5.4 Company is a disclosing entity

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. The Company is required to continuously disclose to the market any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005) during normal office hours (see Section 5.5 below).

5.5 Copies of documents

Copies of documents lodged with the ASIC in connection with the Company's reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it, a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2015, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (a) above until the issue of this Prospectus are as follows:

Date	Description of the Announcement
09 Aug 16	Appendix 3B – Cancellation of Options
05 Aug 16	Amended Change of Director's Interest Notice
03 Aug 16	Rights Issue Update
01 Aug 16	Quarterly Activities Report
01 Aug 16	Quarterly Cashflow Report
29 Jul 16	Change of Director's Interest Notice
29 Jul 16	Change in substantial holding
27 Jul 16	Investor Presentation
27 Jul 16	Renounceable Issue
25 Jul 16	Trading Halt
14 Jul 16	Mining Update High Gold Grades Achieved
11 Jul 16	Ceasing to be a substantial holder from HRR

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ADDITIONAL INFORMATION

Date	Description of the Announcement
08 Jul 16	High Grade Resource Update from Phase 1 Drilling Campaign
04 Jul 16	High Grade Results - Phase 1 Drilling Campaign
01 Jun 16	Final Director's Interest Notice
02 May 16	Quarterly Cashflow Report
02 May 16	Quarterly Activities Report
22 Apr 16	Company Update and Board Changes
05 Apr 16	Becoming a substantial holder
04 Apr 16	Ceasing to be a substantial holder
04 Apr 16	Change in substantial holding
31 Mar 16	Issue of Equity, Appendix 3B & 708A Notice
31 Mar 16	Equity for Mining Services and Operations Update
15 Mar 16	Half Year Accounts
01 Mar 16	Mine Development Reaches Primary Production Target
24 Feb 16	Change in substantial holding
24 Feb 16	Becoming a substantial holder
23 Feb 16	Change of Director's Interest Notice
22 Feb 16	ORS: Implementation of Scheme
22 Feb 16	Patersons research note
22 Feb 16	Letter to new shareholders
15 Feb 16	Response to ASX Appendix 5B Query
02 Feb 16	Walhalla Purchase Completion
02 Feb 16	Appendix 3B & Section 708A Notice
02 Feb 16	ORN: Sale of Walhalla Project Mining Tenement
29 Jan 16	Quarterly Activities Report
29 Jan 16	Quarterly Cashflow Report
18 Jan 16	Change of Director's Interest Notice
18 Jan 16	Appendix 3B & Section 708A Notice
18 Jan 16	Completion of SPP and Placement
12 Jan 16	Appendix 3B
06 Jan 16	Results of Meeting
06 Jan 16	Mining contractor mobilises to A1 Gold Mine
30 Dec 15	ORN: Sale of Walhalla Project Mining Tenement
30 Dec 15	Awards Underground Mining Contract
30 Dec 15	Walhalla Acquisition
11 Dec 15	Security Purchase Plan Closing Date Extension
07 Dec 15	Notice of General Meeting
04 Dec 15	Change of Director's Interest Notice x 3
04 Dec 15	Appendix 3B
27 Nov 15	Security Purchase Plan
27 Nov 15	Notice under ASIC Class Order (09-425)
27 Nov 15	Investor Presentation
26 Nov 15	ORS: Update on Proposal to Privatise Company
23 Nov 15	Appendix 3B and Section 708A Notice
20 Nov 15	REINSTATEMENT TO OFFICIAL QUOTATION
20 Nov 15	Placement and SPP
16 Nov 15	Suspension from Official Quotation
12 Nov 15	Trading Halt
11 Nov 15	Results of Meeting
30 Oct 15	Quarterly Activities Report

Date	Description of the Announcement
30 Oct 15	Quarterly Cashflow Report
20 Oct 15	ORS: Proposal to Privatisise Company
14 Oct 15	Notice of Annual General Meeting
30 Sep 15	Annual Report to shareholders
30 Sep 15	Appendix 4G & Corporate Governance Statement

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005):

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.7 Determination by the ASIC

The ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.8 Underwriting Agreement

The Company entered into an underwriting agreement with the Underwriter ("**Underwriting Agreement**") dated 9 August 2016 pursuant to which the Company has engaged the Underwriter to underwrite the Entitlements Offer.

The Company must pay to the Underwriter in consideration of its underwriting obligations under the Underwriting Agreement, an underwriting fee of 6.5% on the Underwritten Amount together with a corporate advisory fee of \$80,000.

The Company has also agreed to reimburse the Underwriter for all reasonable costs and expenses incurred in connection with the underwriting.

The obligation of the Underwriter to underwrite the Underwritten Shares and is subject to certain standard events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Indices fall:** any of the All Ordinaries Index or the Standard and Poors / ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement 10.0% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **Share Price:** the Shares of the Company finish trading on the ASX under the ASX code of "AYC", on any Business Day with a closing price that is less than the Price;
- (c) **Prospectus:** the Offer is withdrawn by the Company;
- (d) **Breach of Material Contracts:** any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in this Prospectus or by the Company on ASX;
- (e) **New circumstances:** there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Underwriter that it is materially adverse from the point of view of an investor;
- (f) **Copies of Prospectus:** the Company fails to provide a copy of the Prospectus to the Underwriter

within 1 day of the date of lodgement and fails to provide additional copies of the Prospectus at the request of the Underwriter;

- (g) **No Official Quotation:** Official Quotation has not been granted by the shortfall notice deadline date or, having been granted, is subsequently withdrawn, withheld or qualified;
- (h) **Supplementary prospectus:**
 - (i) the Underwriter having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence of a Termination Event forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (i) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information required by the Corporations Act; or
- (j) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (k) **Restriction on allotment:** the Company is prevented from allotting the shares and options of the Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (l) **Withdrawal of consent to Prospectus:** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (m) **ASIC application:** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to this Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (n) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (o) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (p) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, or the Peoples Republic of China or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (q) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (r) **Indictable offence:** a director or senior manager of the Company is charged with an indictable offence;
- (s) **Acts by Directors:** any commitment or agreement entered into by a Director or designated person as disclosed in the Prospectus is not carried out or adhered to in accordance with its terms or the

agreement is breached, revoked, rescinded or avoided;

- (t) **Termination Events:** subject to other provisions of the Underwriting Agreement, upon the occurrence of any of the following events:
- (i) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **Contravention of constitution or Act:** a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **Failure to Disclose:** it transpires that the Company has in the past failed to disclose to the ASX Material Information;
 - (v) **Adverse change:** any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts (including expected time until production), losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (vi) **Error in Due Diligence Results:** it transpires that the due diligence or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
 - (vii) **Significant change:** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (viii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus;
 - (ix) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company at any time prior to Completion is or becomes misleading or deceptive or likely to mislead or deceive;
 - (x) **Official Quotation qualified:** the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" in the Underwriting Agreement;
 - (xi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (xii) **Prescribed Occurrence:** a matter prescribed in the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
 - (xiii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
 - (xiv) **Event of Insolvency:** an event of insolvency occurs in respect of the Company;
 - (xv) **Judgment against the Company:** a judgment in an amount exceeding \$25,000 is obtained against the Company and is not set aside or satisfied within 7 days;
 - (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus or the due diligence program or otherwise disclosed during the due diligence investigations;
 - (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;

- (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 7 Business Days;
- (xx) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xxi) **Certain resolutions passed:** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) **Capital Structure:** the Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxiii) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- (xxiv) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees, agents and advisors ("**Related Parties**") and hold them harmless from and against all prosecutions, losses (including losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) ("**Liability**") arising out of or in respect of:

- (a) the Offer;
- (b) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus or any documents in respect of the Offer which accompany the Prospectus;
- (c) any advertising, publicity, announcements, statements and reports in relation to the Offer made with the agreement of the Company;
- (d) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus, any advertising of the Offer or any documents in respect of the Offer which accompany the Prospectus; or
- (e) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement.

The Company has provided warranties, representations and undertakings in favour of the Underwriter that are normal for an agreement of this nature.

The Underwriter may procure any person to sub-underwrite such portion of the Offer as the Underwriter, in its absolute discretion, thinks fit. The Underwriter is responsible for all sub-underwriting fees in relation to the Offer.

The Underwriting Agreement has the potential to affect the control of the Company as the Underwriter will subscribe for any New Shares that are not taken up by Eligible Shareholders pursuant to their entitlement. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer, as well as the extent to which the Underwriter allocates the remaining New Shares to nominees not associated with the Underwriter.

At the date of this Prospectus, the Underwriter has an interest in 4,300,000 Shares and 10,469,449 Listed Options. Refer to Section 1.4 for information on the effect of the Entitlements Offer on control of the Company.

The Underwriter has entered into various sub-underwriting agreements for the Underwritten Amount with various parties, including the Directors. Please refer to Section 5.9 for further information.

5.9 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director has or had within two years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the issue of New Shares and New Options pursuant to this Prospectus; or
- (c) the issue of New Shares or New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (a) to induce him or her to become, or to qualify him, as a Director; or
- (b) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares or New Options pursuant to this Prospectus.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company as at the date of this Prospectus.

Director	No. of Shares Held ⁽¹⁾	Entitlement to Subscribe for Shares ⁽²⁾	No. of Options Held	No. of Convertible Notes Held
Dale Rogers	Nil	Nil	Nil	Nil
James Cullen	5,518,224 ⁽³⁾	1,379,556	2,547,222 Listed Options ⁽⁴⁾ 4,500,000 Options exercisable at \$0.045 before 30 Nov 2019 ⁽⁵⁾	1,428,571 Convertible Notes face value \$0.035 maturity 25 Jun 2018 ⁽⁶⁾
Anthony Gray	716,315 ⁽⁷⁾	179,079	4,500,000 Options exercisable at \$0.045 before 30 Nov 2019 ⁽⁸⁾	Nil

(1). Direct or indirect holding in which the Director has a relevant interest under the Corporations Act.

(2). Entitlement to subscribe for Shares that will be held directly or indirectly assuming no existing Options held are exercised before the Record Date.

(3). 3,316,511 held indirectly through Kahala Holdings Pty Ltd, 2,200,899 held indirectly through Kahala Holdings Pty Ltd <Kilauea Super Fund> and 814 held indirectly through Ohana Investments Pty Ltd.

(4). 2,058,616 held indirectly through Kahala Holdings Pty Ltd, 488,334 held indirectly through Kahala Holdings Pty Ltd <Kilauea Super Fund> and 272 held indirectly through Ohana Investments Pty Ltd.

(5). Held indirectly through Kahala Holdings Pty Ltd <Cullen Family A/C>.

(6). Held indirectly through Kahala Holdings Pty Ltd.

(7). 1 held directly by Mr Gray and 716,314 held indirectly through Mr Anthony Robert Gray and Mrs Diane Joy Gray < Krakatinni Super Fund A/C>.

(8). Held directly by Mr Gray.

A related party of Mr Rogers (**Rogers Sub-Underwriter**) has entered into a sub-underwriting agreement with the Underwriter whereby the Rogers Sub-Underwriter will be obliged to subscribe for up to \$700,000 of the Shortfall. This means the Rogers Sub-Underwriter will receive up to 29,166,667 Shortfall Shares and 9,722,222 Shortfall Options which are not taken up by existing Shareholders under the Entitlements Offer. The Rogers Sub-Underwriter is the son of Mr Rogers and is therefore a related party of the Company.

A company associated with Mr Cullen (**Cullen Sub-Underwriter**) has entered into a sub-underwriting agreement with the Underwriter whereby the Cullen Sub-Underwriter will be obliged to subscribe for up to

\$200,000 of the Shortfall. This means the Cullen Sub-Underwriter will receive up to 8,333,334 Shortfall Shares and 2,777,778 Shortfall Options which are not taken up by existing Shareholders under the Entitlements Offer. The Cullen Sub-Underwriter is a related party of the Company as Mr Cullen is a director of the Cullen Sub-Underwriter.

A party associated with Mr Gray (**Gray Sub-Underwriter**) has entered into a sub-underwriting agreement with the Underwriter whereby the Gray Sub-Underwriter will be obliged to subscribe for up to \$10,000 of the Shortfall. This means the Gray Sub-Underwriter will receive up to 416,667 Shortfall Shares and 138,889 Shortfall Options which are not taken up by existing Shareholders under the Entitlements Offer. The Gray Sub-Underwriter is a related party of the Company as Mr Gray controls the Gray Sub-Underwriter.

The sub-underwriting agreements with each of the Rogers Sub-Underwriter, Cullen Sub-Underwriter and Gray Sub-Underwriter (together, **Director Sub-Underwriters**) are on the same terms as all sub-underwriting agreements entered into by the Underwriter in relation to the Entitlements Offer. As required by Listing Rule 10.12 (Exception 2) a summary of the terms of the sub-underwriting agreements is as follows:

- (a) if there is a Shortfall under the Entitlements Offer, each sub-underwriter will be required to sub-underwrite that proportion of the Shortfall determined by dividing their sub-underwriting commitment by the total number of Shortfall underwritten by the Underwriter;
- (b) a sub-underwriting fee of 1.0% is payable by the Underwriter under the sub-underwriting agreements;
- (c) each sub-underwriter's obligations as sub-underwriter are conditional on completion of the Entitlement Offers pursuant to the Underwriting Agreement; and
- (a) the sub-underwriters are not permitted to terminate their respective sub-underwriting agreements. However, if the Entitlements Offer does not proceed or if the Underwriting Agreement is terminated, the sub-underwriting agreements will also terminate.

Notwithstanding the relationship between the Company and each of the Director Sub-Underwriters, the non-interested Directors in each relevant sub-underwriting arrangement are of the view that prior Shareholder approval for the issue of New Shares and the New Options to each of the Director Sub-Underwriters was not required on the basis that it fell under the underwriting exception in Exception 2 of Listing Rule 10.12, and also on the basis that the terms of the sub-underwritings were considered to be on usual 'arm's length' commercial terms, with terms the same as other sub-underwriting agreements.

In the event that Mr Cullen takes up all of his Entitlements and Shortfall Shares are issued to the value of the full sub-underwritten amount to the Cullen Sub-Underwriter, then Mr Cullen would acquire voting power in the Company of 4.22%.

In the event that Mr Gray takes up all of his Entitlements and Shortfall Shares are issued to the value of the full sub-underwritten amount to the Gray Sub-Underwriter, then Mr Gray would acquire voting power in the Company of 0.19%.

Mr Rogers does not have a relevant interest in any securities held by the Rogers Sub-Underwriter and will not obtain any voting power if securities are issued to the Rogers Sub-Underwriter.

Remuneration of Directors

No person has paid or agreed to pay any amount or has given any benefit to any Director to induce them to become, or qualify as a Director or for services provided by the Director, in connection with:

- (a) the formation or promotion of the Company; or
- (b) the offer of New Shares or New Options under this Prospectus, except as set out below or elsewhere in this Prospectus.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at a general meeting. Total directors' fees paid to all non-executive Directors is not to exceed \$300,000 per annum.

Remuneration for Mr Cullen and Mr Gray, respectively, is currently \$40,000 per annum (exclusive of superannuation).

Mr Rogers has entered into a verbal employment agreement with the Company with respect to his engagement as Executive Chair. Pursuant to that agreement, Mr Rogers is paid a salary of \$270,000 per annum, exclusive

of superannuation. It is the Company's intention to formalise this arrangement with a written agreement on normal arm's length terms. The parties have yet to agree the terms of any additional incentives for Mr Rogers' continued employment (such as executive options) and the Company may agree to issue Mr Rogers with securities in the future by way of a performance incentive.

Mr Rogers agreed to defer payment of his remuneration and has not been paid fees or salary since July 2015. The amount accrued and owing to Mr Rogers as at 30 June 2016 is approximately \$125,586.

Information regarding the remuneration received by Directors for the preceding two financial years can be found in the 2015 Annual Report.

Other interests

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of its current Directors. Those deeds indemnify these Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks they are exposed to as Directors. The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

5.10 Interests of Named Parties

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, do not have, and have not had in the two years before the date of this Prospectus any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of New Shares or New Options under this Prospectus; or
- (c) the offer of New Shares or New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons in connection with the formation or promotion of the Company or the offer of New Shares or New Options under this Prospectus.

Patersons Securities Limited has agreed to act as Underwriter to the Entitlements Offer and will receive the fees outlined in Section 5.8. In the two years prior to the date of this Prospectus, the Underwriter has provided capital raising services to the Company to a total value of approximately \$497,500 (plus applicable GST). Patersons Securities Limited was granted 51,532,693 Listed Options as part consideration for underwriting in November 2014 and 9,027,778 Listed Options as part consideration for underwriting in January 2016.

DWCorporate Pty Ltd estimated fees of approximately \$25,000 (plus GST) for advice and assistance in relation to the due diligence and other compliance services related to the Prospectus. In the two years prior to the date of this Prospectus, DWCorporate Pty Ltd has provided company secretarial and compliance services to the Company to a total value of approximately \$521,260 (excluding GST and disbursements).

Price Sierakowski Corporate estimated fees of approximately \$20,000 (plus GST) in relation to the review of this Prospectus. In the past two years Price Sierakowski has provided legal advice to the Company to a total value of approximately \$328,146 (excluding GST and disbursements).

Security Transfer Registrars Pty Ltd conducts the Company's share registry functions and also provides administrative services in respect to the processing of applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.11 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and content in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has consented to being named as Lead Manager and Underwriter to the Entitlements Offer and the inclusion in the Prospectus of all statements referring to it.

DWCorporate Pty Ltd has consented to being named as a provider of company secretarial services to the Company and the inclusion in the Prospectus of all statements referring to it.

Price Sierakowski Corporate has consented to being named as solicitor to the Company and the inclusion in the prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

References to HLB Mann Judd appear for information purposes only. HLB Mann Judd has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Limited appear for information purposes only. Security Transfer Registrars Pty Limited has not been involved in, authorised or caused the issue of this Prospectus.

5.12 Expenses of issue

The estimated expenses of the Offer (exclusive of GST) are estimated as follows:

	\$
ASIC lodgement fee	2,350
ASX quotation fee	10,724
Underwriter fees	295,549
Compliance documentation	25,000
Legal expenses	20,000
Printing, mailing and other expenses	10,000
\$ Total	363,623

6. Authorisation

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act. This Prospectus is signed for and on behalf of Company by:

Mr Dennis Wilkins
Company Secretary

Date: 9 August 2016

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Acceptance means a valid application for New Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

Annual Financial Report means the financial report lodged by the Company with the ASIC in respect to the year ended 30 June 2015 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2015, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2015.

Applicant means a Shareholder who applies for New Shares pursuant to the Entitlements Offer.

Application Money means application money for New Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as the context requires).

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that the ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth).

Company means A1 Consolidated Gold Limited ACN 149 308 921.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Note means a convertible note issued pursuant to the Convertible Note Agreement.

Convertible Note Agreements means the convertible note agreements between the Company and the Noteholders dated variously between 12 May 2015 and 23 June 2015.

Corporations Act means *Corporations Act 2001* (Cth).

Cullen Sub-Underwriter has the meaning set out in Section 5.9.

Directors mean the directors of the Company as at the date of this Prospectus.

Director Sub-Underwriters has the meaning set out in Section 5.9.

DPCD means the Victorian Department of Planning and Communities Development.

Eligible Shareholder means a Shareholder as at the Record Date that have a registered address in Australia or New Zealand.

Entitlement or Right means an Eligible Shareholder's entitlement to New Shares under the Entitlements Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders.

Entitlements Offer has the meaning set out in Section 1.1.

General Security Deed and Mining Mortgage means the documents titled "General Security Deed and Mining Mortgage" and "Maldon Security Deed and Mining Mortgage" between the Company and Squadron dated 25 June 2015 and 22 June 2016 respectively which secure payment of all amounts owing to the Noteholders via the grant of a security interest over all the present and future acquired personal properties of the Company's and its fully owned subsidiaries Maldon Resources Pty Ltd, Highlake Resources Pty Ltd and Matrix Gold Pty Ltd, and a mortgage over MIN5294, MIN5146, MIN5528 and MIN5465.

Gray Sub-Underwriter has the meaning set out in Section 5.9.

Ineligible Shareholders has the meaning given to that term in Section 1.9.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

JORC Code means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' which comprises Appendix 5A of the Listing Rules.

Listed Option means the Company's existed listed Options (AYCO) with an exercise price of \$0.03, expiring on 30 November 2019 and otherwise on the terms and conditions set out in Section 5.2. Under the terms of the Company's Listed Options, as a consequence of the Entitlements Offer, the exercise price of the Listed Options will be varied in accordance with the formula in Listing Rule 6.22.2 and will be advised to the market at the conclusion of the Entitlements Offer.

Listing Rules means the Listing Rules of the ASX.

Mineral Resource has the meaning given to that term in the JORC Code.

Mining Act means the *Mineral Resources (Sustainable Development) Act 1990 (Vic)*.

New Option means a new Listed Option proposed to be issued pursuant to the Entitlements Offer.

New Share means a new Share proposed to be issued pursuant to the Entitlements Offer.

Nominee has the meaning given to that term in Section 1.10.

Noteholders means each of the following persons:

- (a) Squadron; and
- (b) sophisticated and professional investor clients of Patersons Securities Limited (ACN 008 896 311).

Offer means the Entitlements Offer.

Official List means the official list of the ASX.

Official Quotation means quotation of securities on the Official List.

Opening Date means the date specified in the timetable set out at the commencement of this Prospectus.

Option means the right to acquire one Share in the capital of the Company.

Prospectus means this prospectus dated 9 August 2016.

PYBAR means PYBAR Mining Services Pty Ltd (ACN 060 589 433).

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Documents means each of the following documents:

- (a) Convertible Note Agreements;
- (b) Supplemental Agreement made between the Company and Squadron;
- (c) General Security Deed and Mining Mortgage;
- (d) Account Bank Deed in relation to the debt service reserve account; and
- (e) any document entered into or given under or in connecting with, or for the purpose of amending or novating, any document referred to in paragraphs (a) to (d) above.

Rogers Sub-Underwriter has the meaning set out in Section 5.9.

Section means a section of this Prospectus.

Shareholder means the holder of Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shortfall will occur if the Company does not hold valid applications for all the New Shares offered under

this Prospectus by the Closing Date, excluding applications for Shortfall Shares.

Shortfall Offer means the offer of the Shortfall Shares (together with one free attaching Shortfall Option for every 3 Shortfall Shares subscribed for and issued) on the terms and conditions set out in Section 1.2 of this Prospectus.

Shortfall Options means a Listed Option proposed to be issued pursuant to the Shortfall Offer.

Shortfall Shares means that number of New Shares for which a valid Entitlement and Acceptance Form has not been received by 5.00pm (WST) on the Closing Date.

Squadron means Squadron Resources Pty Ltd (ACN 604 832 751).

\$ means Australian dollars.

Termination Event means an event as described in Section 5.8 of this Prospectus.

Underwriter means Patersons Securities Limited (ACN 008 896 311).

Underwriting Agreement means the underwriting agreement dated 9 August 2016 between the Company and the Underwriter and summarized in Section 5.8 of this Prospectus.

Underwritten Amount means \$3,316,136 (138,172,313 New Shares with 46,057,438 free attaching New Options) being the value to which the Entitlements Offer is underwritten.

Victorian Heritage Act means the *Aboriginal Heritage Act 2006* (Vic).

WST means Western Standard Time, being the time in Perth, Western Australia.