



A1 Consolidated Gold Ltd

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11 August 2016

Dear Shareholder

A1 Consolidated Gold Limited - Renounceable Entitlement Offer

On 27 July 2016, A1 Consolidated Gold Limited (**Company**) announced that the Company will be conducting a pro-rata renounceable entitlement offer to shareholders of approximately 138,172,313 new shares on the basis of 1 new share for every 4 shares held at the record date at \$0.024 each (**New Shares**), plus one free attaching New Option for every 3 New Shares subscribed for and issued, to raise approximately \$3,316,136 (before costs) (**Entitlement Offer**).

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their entitlement to New Shares under the Entitlement Offer in full, apply for Shortfall Shares, subject to availability and the discretion of the Underwriter.

The Offer Document was lodged with the ASIC on 9 August 2016 and contains further information about how to take up your entitlement under the Entitlement Offer. The Offer Document will be available on the Company's website at www.a1consolidated.com.au and on the ASX website and will be mailed to Shareholders after the Record Date.

Indicative 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	25 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

The dates are indicative only and the Company reserves the right to vary them in consultation with the Underwriter and in accordance with the requirements of the ASX Listing Rules.

Use of Funds from Entitlement Offer

Funds raised through the rights issue will primarily be used for:

- 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:
 - 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, with the balance of funds for those activities to be sourced from operating revenue.

Overseas Shareholders

The Entitlement Offer is not available in any jurisdiction where, or to any person to whom, it would be unlawful to issue the New Shares. It is the responsibility of any applicant under the Entitlement Offer to ensure compliance with any laws of a country relevant to their application.

For further information relating to the Entitlement Offer, please contact the Company Secretary on (08) 9389 2111.

Yours faithfully

Dennis Wilkins
Company Secretary