

# A1 CONSOLIDATED GOLD LTD

ABN 50 149 308 921

## Supplementary Prospectus

### Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 9 August 2016 (**Prospectus**) issued by A1 Consolidated Gold Ltd ABN 50 149 308 921 (**Company**).

This Supplementary Prospectus is dated 16 August 2016 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at the Company's website at [www.a1consolidated.com.au](http://www.a1consolidated.com.au) or the ASX website.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

### 1. SUPPLEMENTARY PROSPECTUS

#### 1.1 Reasons for this Supplementary Prospectus

This Supplementary Prospectus has been prepared to:

- (a) provide notification on the change to the timetable for the Entitlements Offer as a result of a minor typographical error and the release of this Supplementary Prospectus;
- (b) provide clarification around the specific risks associated with the Company; and
- (c) correct the information of the capital structure of the Company.

### 2. AMENDMENTS TO THE PROSPECTUS

#### 2.1 Proposed timetable

The timetable set out in the "Proposed Timetable" section on page 9 of the Prospectus is deleted and replaced with the following:

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 <sup>1</sup> and Rights trading commences	12 August 2016
<b>Record Date (5:00pm WST) for determining Entitlements</b>	15 August 2016
Supplementary Prospectus lodged with the ASIC and released to ASX	16 August 2016
Prospectus and Entitlement and Acceptance Form and Supplementary Prospectus 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
<b>Closing Date for Acceptances and receipt of application under the Entitlements Offer at 5.00pm (WST)</b>	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
<b>Date of quotation of New Shares and New Options and trading of New Shares and New Options is expected to commence</b>	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.**

## 2.2 Specific Risks associated with the Company

Section 3.2(i) of the Prospectus is deleted and replaced with the following:

(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 the Company’s main mining licences (A1 and Union Hill) have been met. A renewal for the A1 mining licence has been submitted and is

awaiting approval. Minimum expenditure commitments for several exploration licences and mining licences 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 several of 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.

### 2.3 Effect of the Offer on the Capital Structure

Section 4.2 of the Prospectus is deleted and replaced with the following:

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
<b>Total issued Shares</b>	<b>690,861,565</b>

	Unlisted Options (\$0.05, 30/11/2019)	Unlisted Options (\$0.045, 30/11/2019)	Listed Options (AYCO) (\$0.03 <sup>(1)</sup> , 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
<b>Total issued convertible securities</b>	<b>9,000,000</b>	<b>15,000,000</b>	<b>283,696,714</b>	<b>71,428,565</b>

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

The Company has 261,639,276 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 261,639,276 Shares will be issued pursuant to the exercise of Options and up to an additional 65,409,819 New Shares and 21,803,273 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.

### **3. APPLICATIONS**

The Offers of Shares are made in the Prospectus and this Supplementary Prospectus. A personalised Entitlement and Acceptance Form will accompany the paper copy of the Prospectus and this Supplementary Prospectus which will be mailed to Eligible Shareholders on 18 August 2016.

### **4. DIRECTORS' AUTHORISATION**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of the Company on 16 August 2016.



Mr Dennis Wilkins  
**Company Secretary**