



A1 Consolidated Gold

ASX Release – 31st July 2014

Quarterly Activities Report

A1 Consolidated Gold Ltd

ABN 50 149 308 921

ASX:AYC

Investment Highlights:

Advanced project on granted mining lease – fully operational mine site including underground development & infrastructure

Mineral Resources in accordance with the JORC Code (2012)
Indicated – 250,000 t @ 5.1 g/t for 41,200 oz Au
Inferred – 1,170,000t @ 6.4 g/t for 240,000 oz Au

Board of Directors:

Chairman

Ashok Parekh

Managing Director

Dennis Clark

Non-Executive Directors

Morrie Goodz

Company Secretary

Dennis Wilkins

Capital Structure:

176,597,322 ordinary shares
28,666,667 unlisted options

Contact:

Dennis Wilkins

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A1 Consolidated Gold Limited (ASX: AYC) reports its activities for the Quarter ending 30th June 2014.

As announced by the Company to the ASX on the 17th June 2014, both the LionGold Placement Agreement and the Underwritten Rights Issue shortfall are currently uncompleted with an amount of circa \$1.9 million outstanding in total. Both of these events have left the Company's cash reserve depleted. The Company has not issued shares for these outstanding amounts and reserves its rights in relation to these agreements.

As also announced to the ASX on the 17th June 2014, your Directors have agreed to an unsecured, interest free, Line of Credit whilst an alternative source of funding is put in place.

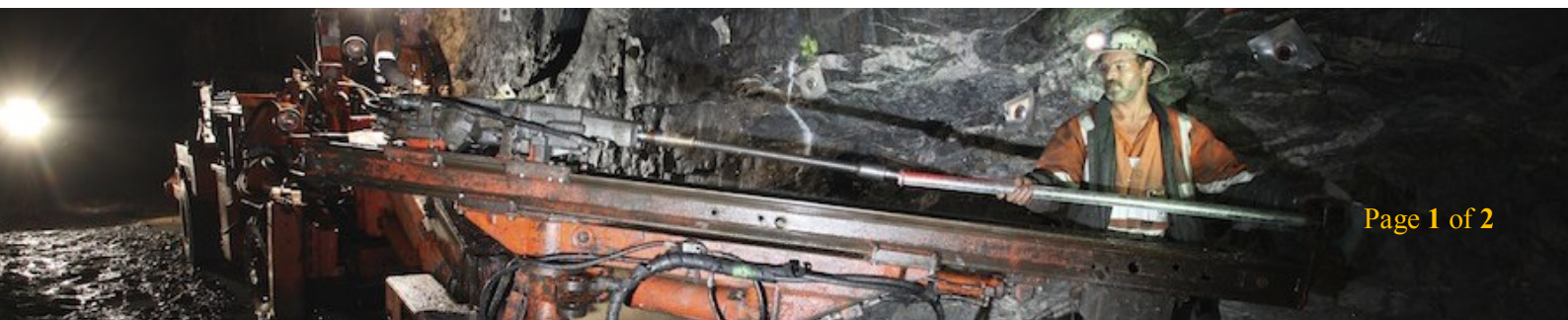
This Line of Credit demonstrates the high level of confidence your Directors have in the A1 Gold Project, but as all shareholders should understand, is unsustainable in the long term.

At the end of the June Quarter the Company has been offered a range of funding options and the Board is working through the merits of each of these options to select the best deal for the Company and all of its shareholders.

Once selected, the intended use for the funding is to complete the underground development at the A1 Gold Mine with the aim of bringing the mine into profitable production. These development works are still ongoing today at a reduced rate.

Managing Directors Comments

Managing Director Dennis Clark said "Whilst the Board assesses funding options, work is continuing on the development of the A1 Gold Mine including completion of the secondary means of egress. The Company remains focussed on bringing the 1400 Stockwork Zone into production."





Safety

A1 Gold Mine (MIN5294)

There were no lost time injuries during the quarter.

The Company has achieved in excess of 210,000 hours lost time injury free (LTI) at the end of the June 2014 Quarter.

Tenement Holdings and Movements

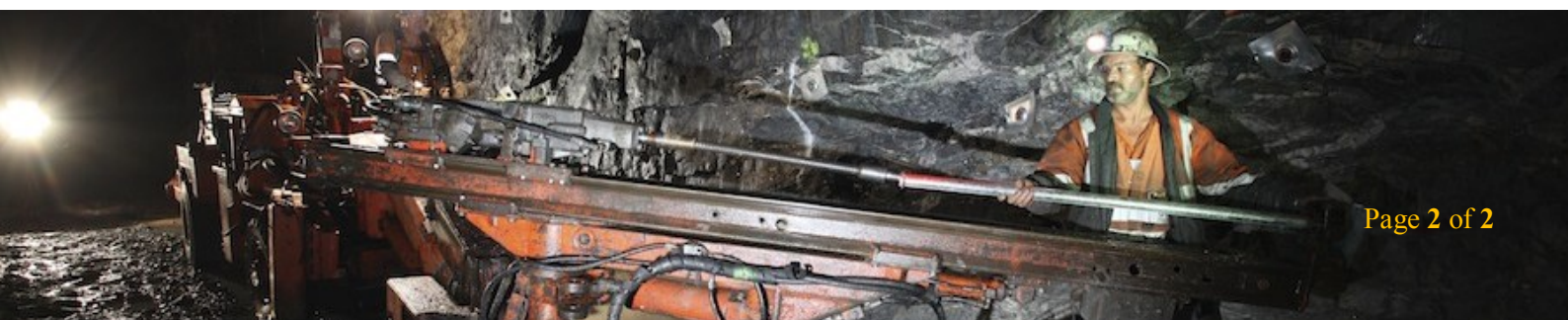
Below is a schedule to mining tenements and beneficial interests held as at the end of the June 2014 Quarter:

Mining Tenements

Tenement Reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
MIN 5294	A1 Gold Project, Victoria	100%	N/A	100%
EL 5109	Ten Mile Goldfield, Victoria (incorporating Star of the West Mine, previously MIN4636)	100%	N/A	100%

Beneficial percentage interests held in farm-in or farm-out agreements

Tenement Reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
Nil	N/A	N/A	N/A	N/A



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A1 CONSOLIDATED GOLD LIMITED

ABN

50 149 308 921

Quarter ended ("current quarter")

30 JUNE 2014

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(56)	(360)
	(b) development	(875)	(3,439)
	(c) production	-	-
	(d) administration	(184)	(830)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	33
1.5	Interest and other costs of finance paid	(2)	(5)
1.6	Income taxes paid	-	-
1.7	Other – GST	10	117
	Net Operating Cash Flows	(1,103)	(4,484)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(42)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	46
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Bonds refunded	-	109
	Net investing cash flows	(10)	113
1.13	Total operating and investing cash flows (carried forward)	(1,113)	(4,371)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,113)	(4,371)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10	3,745
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	55	55
1.17	Repayment of borrowings	(13)	(54)
1.18	Dividends paid	-	-
1.19	Other – share funds pending allotment	(10)	40
	Other – capital raising costs	-	(103)
	Net financing cash flows	42	3,683
	Net increase (decrease) in cash held	(1,071)	(688)
1.20	Cash at beginning of quarter/year to date	1,303	920
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	232	232

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'ooo
1.23 Aggregate amount of payments to the parties included in item 1.2	58
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to related entities for:	\$A'000
Mine operating goods and services	10
Company secretary fees	14
Directors fees	10
Salaries	17
Minor Other	7

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements Line of credit from the Directors, no fees or interest, repayment by 31 December 2014, but may be varied to suit the Company's cash flow	300	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	126
4.3 Production	-
4.4 Administration	69
Total	195

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	213	378
5.2 Deposits at call	19	925
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	232	1,303

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	Not applicable			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	176,683,522	97,380,652	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	86,200 -	- -	-	-
7.5	*Convertible debt securities (description)	Not applicable			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	26,666,667 2,000,000	- -	Exercise price 40 cents 42 cents	Expiry date 31 December 2014 31 December 2014
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	Not applicable			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	Not applicable	
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 31 July 2014

Print name: Dennis Clark

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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