



A1 Consolidated Gold

ASX Release – 20th August 2014

Corporate Update

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 Director

Morrie Goodz

Company Secretary

Dennis Wilkins

Capital Structure:

176,683,522 ordinary shares

28,666,667 unlisted options

Contact:

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As previously announced by A1 Consolidated Gold Limited (**Company**) (refer to announcements dated 17th June 2014 and 31st July 2014), both the LionGold Placement Agreement and the Underwritten Rights Issue shortfall were not completed, with an amount of circa \$1.9 million outstanding in total owing to the Company. The Company has not issued the shares for these outstanding amounts.

Toll Treatment Offset Agreement

As also previously announced, (24th September 2013), the Company entered into an Ore Tolling Agreement with Balmaine Gold Pty Ltd (a wholly owned subsidiary of Castlemaine Goldfields Ltd). Castlemaine Goldfields Ltd is a wholly owned subsidiary of LionGold Corp Ltd.

The Ore Tolling Agreement is for up to 150,000 tpa for a total of 450,000 tonnes over 3 years and may be terminated by either party on giving 2 months' notice.

The parties have agreed to modify the terms of the Ore Tolling Agreement to offset an amount of \$1.0m in the ancillary services fee. The Ore Tolling Agreement has also been varied to lower the minimum treatment quantities. These variations will effectively lower the toll treatment costs and would assist the Company's cash flow in the event of production commencing.

Underwritten Rights Issue

The Company has made a formal demand to FSS Advisory Pty Ltd (**FSS Advisory**) with respect to its default under the underwriting agreement for the rights issue announced on 14th November 2013. The Company will assess its options with respect to recovering amounts owed to it as a result of the default by FSS Advisory including, without limitation, continuing to work with FSS Advisory to remedy the default to the Company's satisfaction or the institution of legal proceedings.

