



A1 Consolidated Gold

ASX Release – 6th January 2016

PYBAR Mobilises for A1 Gold Mine Underground Mining Contract

A1 Consolidated Gold Ltd
ABN 50 149 308 921

ASX:AYC

Investment Highlights:

A1 Gold Mine :

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

Maldon Gold Operations :

Fully operational 150,000tpa gold processing facility, Union Hill Mine, including underground development and infrastructure

Board of Directors:

Chairman

Dale Rogers

Managing Director

Dennis Clark

Non-Executive Directors

Jamie Cullen

Anthony Gray

Company Secretary

Dennis Wilkins

Capital Structure:

458,439,601 Ordinary Shares
227,778,164 Listed Options
9,000,000 Unlisted Options
24,000,000 Unlisted Options
71,428,565 Convertible Notes

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A1 Consolidated Gold Limited (ASX:AYC) ("A1 Gold" or the "Company") is pleased to announce that PYBAR Mining Services ("PYBAR") have commenced mobilisation to the Company's A1 Gold Mine in north-eastern Victoria with work scheduled to begin on Monday 11 January 2016.

Highlights:

❖ **Months 1 & 2 Decline Development and Ore Access Drives**

- Rapid Decline development to 1400 Stockwork Zone

❖ **Gold Production Planned to Commence Qtr 1 2016**

- Ongoing Production Mining of 1400 Stockwork Zone
- Mining and Ore Processing Scheduled @ 150,000 tpa⁽¹⁾
- Gold Production Forecast @ 30,000 ounces pa⁽¹⁾

Managing Director Dennis Clark commented:

"We are pleased that mobilisation of labour and mining equipment to site has commenced so quickly and look forward to forging a strong working relationship with PYBAR."

"The mining works are scheduled to commence next week, with ore production from the 1400 Stockworks expected in March 2016."

"As indicated by the Scoping Study, bringing the A1 Mine into full time gold production will be a major milestone for our Company."

(1) Updated Scoping Study ASX Announcement 13 Jan 2015





A1 Gold Mine Plan

The appointment of PYBAR as underground mining contractor will see the Company's objectives of rapidly bringing the A1 Gold Mine into full time production achieved in Q1 2016.

The Scoping Study has a forecast gold production of 30,000 ounces per annum at a C3 cost of \$849 per oz and the appointment of PYBAR as underground mining contractor is consistent with the Company's budgeted cost structures and outcomes.⁽¹⁾

With a spot gold price of more than A\$1450 per oz, the project economics are attractive.

- Months 1 & 2
Decline development and ore access drives;
- Month 3
Production mining of 1400 Stockworks;
- Ongoing Production and ore extensions
Mining scheduled @ 150,000 tpa
Diamond drilling program of 6,000 metres per annum with 2 full time rigs funded from cashflow

Phase 1 – Rapid Decline Development to Stockwork Zone

Labour hire of PYBAR operating and management personnel, (including the supply of any required plant and equipment), who will be integrated into A1 Gold's existing workforce to provide for the commencement of 24/7 mining operations. It is expected that Phase 1 will extend from the start of January 2016 through to the commencement of ore production in March 2016.

Phase 2 – Production Mining

Supply of mining services, including labour and equipment on a contract basis for the ongoing operation of the A1 Gold Mine. PYBAR has a strategy of selectively aligning its interests with its clients by acquiring direct equity in high quality mining operations and companies where it is to provide contract underground mining services. Phase 2 will initially be limited to a 2 year contract and may be extended by mutual consent. PYBAR will be offered preferred contractor status and an exclusive right to bid on any contract extensions.

(1) September Quarterly ASX Announcement 30 Sept 2015





A1 Mine Decline Development

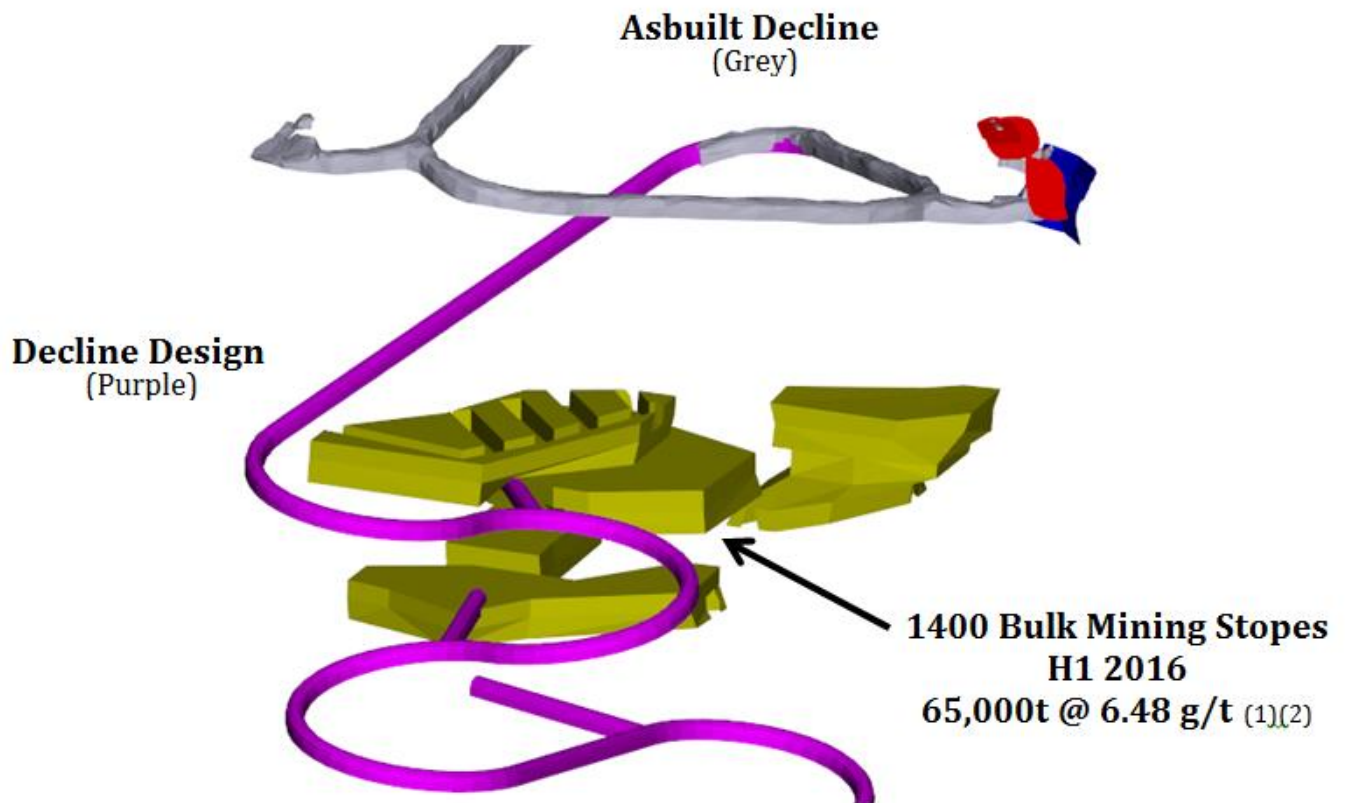


Figure 1. Isometric view of the A1 Mine Decline

- (1) September Quarterly ASX Announcement 30 Sept 2015
(2) Updated Scoping Study ASX Announcement 13 Jan 2015





About the Company

A1 Consolidated Gold Ltd is an emerging junior Victorian gold producer that is developing the A1 Gold Mine near Woods Point and the Union Hill Mine at Maldon to mine ore for processing at the Company's fully permitted 150,000tpa Maldon gold processing facility.

As announced on 11 August 2015, the Company has also agreed to purchase the Eureka and Tubal Cain deposits near Walhalla, southeast of the A1 Gold Mine.

Location of Projects

