

29th July 2011

## **JUNE QUARTER ACTIVITIES REPORT**

### **Quarterly Highlights**

- **\$3.8m revenue in the quarter from gold and silver production**
- **2,647 oz of refined gold produced**
- **AAM is in continuing discussions with various parties in relation to its funding requirements. The outcome of these discussions has not yet been finalised**
- **A consultants report to the board has shown scope to discover large bulk tonnage gold deposits on and near established and historic workings**

#### **Overview of operations**

The Brightstar gold plant performed below target in the June quarter from a combination of issues including solid rain in the Laverton belt for about eight weeks that impacted A1 operations and those of neighbouring mines. A trunnion failure at the mill also restricted throughput for 75% of the mill operating time.

Total tonnes milled were 62,105 tonnes against a target of 75,000t for the quarter

There was a poor resource reconciliation in the Beta Central pit cutback and the wet weather also slowed development of the higher grade Alpha pit.

#### **Exploration report**

The board was heartened by a report from Hawker Geological Services Pty Ltd on the exploration potential of the company's northern leases, notably the Delta and Epsilon leases.

Hawker Geological Services had carried out an assessment in March at the request of directors concerned about the veracity of the company's JORC Code resources and reserves provided by the former managing director John Williams. (ASX release April 5, 2011).

Due to these concerns the board commissioned Hawker Geological Services to carry out a JORC compliant review of the affected areas.

This showed that the Delta (Cork Tree Well) and the Ben Hur and Kennecott leases at Epsilon had total resources of –

Cork Tree Well: 4.923 million tonnes at 1.38 grams/tonne gold for 218,000 oz;

Ben Hur: 16.647 Mt @ 1.35 g/t for 288,300 oz.

Hawker Geological Services' new report recommends an exploration programme spend of about \$3 million on the Delta and Epsilon leases to advance the resource potential of those leases. The independent report estimates that such a programme has the potential to increase the resource to about 700,000 ounces of gold.

This independent report stated that if there was a resource/reserve conversion of about 60% then "we can assume a reserve of 420K ounces as a project start-up."

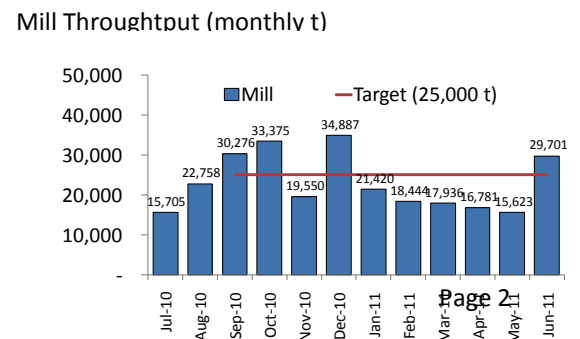
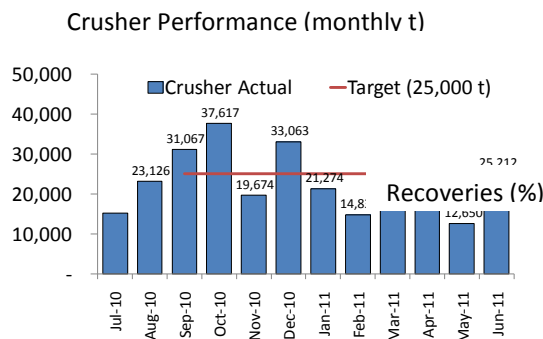
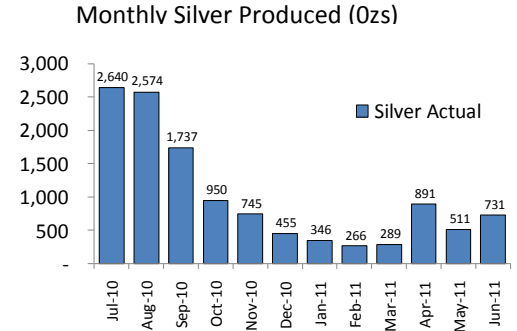
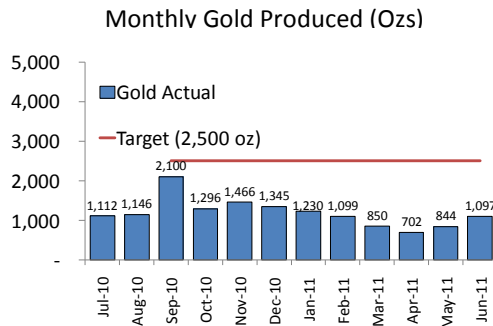
The independent report pointed out that at Epsilon, the King of Creation permit has open cut workings but has had little exploration since the mid 1990s, and Hawker Geological Services said this also has potential to add gold ounces, and it is open both along strike and at depth.

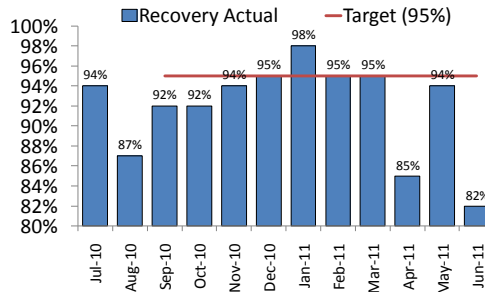
A1 Minerals is one of the major tenement holders in the Laverton district.

### Discussion on Funding

Since the end of the quarter the company has advanced discussions on raising new equity and went into a trading halt, and these discussions are ongoing and nearing finalisation. Subject to negotiations on formal documentation an announcement to the ASX is now expected in early August 2011

### Production Statistics





## Project Development

### Alpha

An opportunity to extend the known mineralisation at Alpha has been identified and work is currently under way to prove the economic viability of this extended mineralisation. A small drilling program will be completed prior to any extension work to the current pit shell.

For further information, please see other ASX announcements or email Albert Longo on [Albertl@a1minerals.com.au](mailto:Albertl@a1minerals.com.au)

Yours sincerely,

**Michael Hunt**

**Chairman – A1 Minerals Limited**

For full reports and information go to A1 Minerals website: [www.a1minerals.com.au](http://www.a1minerals.com.au) or **ASX Code: AAM**

#### BACKGROUND INFORMATION ON A1 MINERALS LIMITED

A1 Minerals Limited (A1) is an emerging Australian gold miner with its 100% owned BrightStar Gold Project currently in full production. BrightStar is situated in the highly prospective Laverton district in the Eastern Goldfields of Western Australia, a frontier for new gold deposits, some of which have become world class mines, including Barrick's Wallaby/Granny Smith and AngloGold Ashanti's Sunrise Dam gold operations. Since successfully listing on the ASX in December 2003, A1 Minerals (ASX: AAM) has grown its assets through prudent acquisition and successful exploration. In May 2010 the Brightstar Beta gold plant commenced production and is targeting a minimum of 30,000oz gold per annum.