

# ASX Announcement



8th July 2010

Current Issued Capital:

196,860,600 Ordinary Shares

Market Cap

at 21.5 cents: \$41.75m

## BRIGHTSTAR UPDATE

- Currently producing 300oz per week
- First month post commissioning gold production 1300oz generating \$1.875m with operation at 84% production capacity
- New gold discovery at Gamma only 12km from Beta processing facility
- Exploration licence surrounding new Gamma discovery acquired in tenement swap plus cash to A1
- Updated forecast for cash operating costs is less than a\$700/oz

## Gold Production and Costs

A1 Minerals Brightstar Gold Project is now into robust steady state production.

Cash costs for production are now forecast to be less than \$700 per ounce once future waste stripping is taken into account.

Gold production has progressed to the current rate of more than 300oz per week

During the June Quarter plant throughput slowed due a requirement to find hard, dry ore to blend with the damp clayey ore from the main Beta ore body in Central Pit. The ore was damp due to surface run-off perching in the old underground workings. The problem was alleviated by moving the mining contractor to stripping waste ahead. To achieve a more optimal throughput the sub-grade material was required to be blended with the ore. The sub-grade material used for blending was from previously stockpiled mineralised waste and from North Pit material which was highly diluted due to a poor blast



which occurred at the end of March. Although waste stripping ahead affects current operating costs it means that a variety of ore types are available which can be blended to increase and optimise the processing facility's throughput.

In June, 21,287 dry tonnes were milled which included a large proportion of the sub-grade material for blending. Ore grades before blending were mostly above 3g/t however when lower grade blasted and mineralised waste material is added the average daily milling grade for June was 2g/t.

More dry ore is now available and the milled grade is expected to increase during the current month (July) as the requirement to use sub-grade material for blending has currently been eliminated.

Other factors affecting ore grades during the Quarter were increased dilution due to over blasting; and implementation of the new grade control system and management team. Both these factors are improving as the new mine management team becomes more familiar with the local conditions.

#### Estimated Tonnes and Head Grades for June

MATERIAL	Tonnes	Grade (g/t)
North Pit	3321	1.0
Central Pit	10175	3.0
South Pit	2865	2.5
MW Stockpiles	5036	0.5

(MW- Mineralised Waste; Blasting dilution applied to North and South Pits; All ores were allowed to be diluted with MW as blending requirements demanded)

A recent inspection during a shutdown of the mill gearbox and mills confirmed that the wear rate is less than expected confirming that A1's maintenance practices should ensure the longevity and optimal performance of the plant.

## Large Area of Surface Gold Mineralisation Discovered Only 12km from Beta Processing Plant

A1 Minerals has identified a large area of surface gold mineralisation on a small tenement at its Brightstar Gamma prospect which is only 12km from the Beta Processing Plant.

The potential for Gamma hosting gold orebodies was recognised due to flat-dipping auriferous quartz veins which are exposed in old workings and the area is well known to be prolific in gold nugget finds.

Surface quartz cobble and small prospector dumps were sampled by Beta minesite geologists over an area extending northwards from the historic workings. Some samples returned assays of up to 108.8g/t gold. Gold mineralisation grading more than 3g/t at surface was delineated over 140metre strike length and still appears open in most directions.

A1 Minerals Limited Managing Director – John Williams stated...

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*'The new Gamma discovery is probably A1's fourth significant new gold find and our first since we completed commissioning the plant only 6 weeks ago. This is also in very promising terrain for making a big gold discovery, as it is only 15km from the two major gold deposits of Sunrise Dam and Granny Smith.'*

Figure.1 New Gold Find and Surrounding Tenement Acquired at Brightstar Gamma

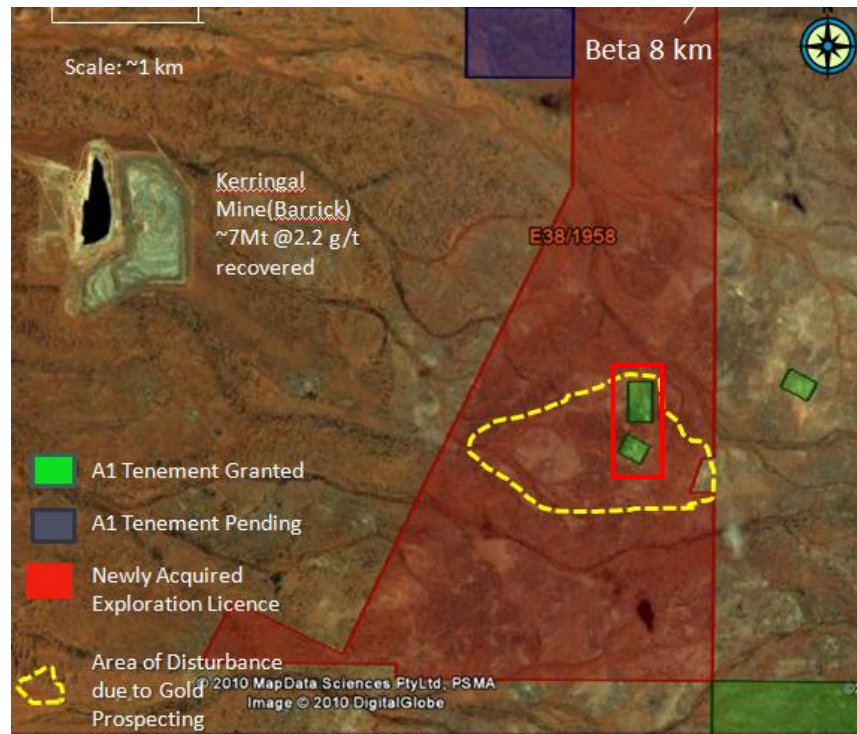


Figure.1 shows the area around the new gold find at Gamma. The area outlined by the yellow dashed line is a large (approx. 3km by 1km) area of surface disturbance due to previous gold prospecting and nugget finds. Until recently A1 Minerals had only owned the two small rectangular tenements (shown here shaded green).

As exploration progressed the possibility for gold mineralisation to extend beyond the existing limits had fortunately been recognised early enough for A1 to pursue a successful strategy to acquire the surrounding exploration licence (reddish shaded area).

The red outlined rectangular area is shown enlarged on the following page as Figure.2.

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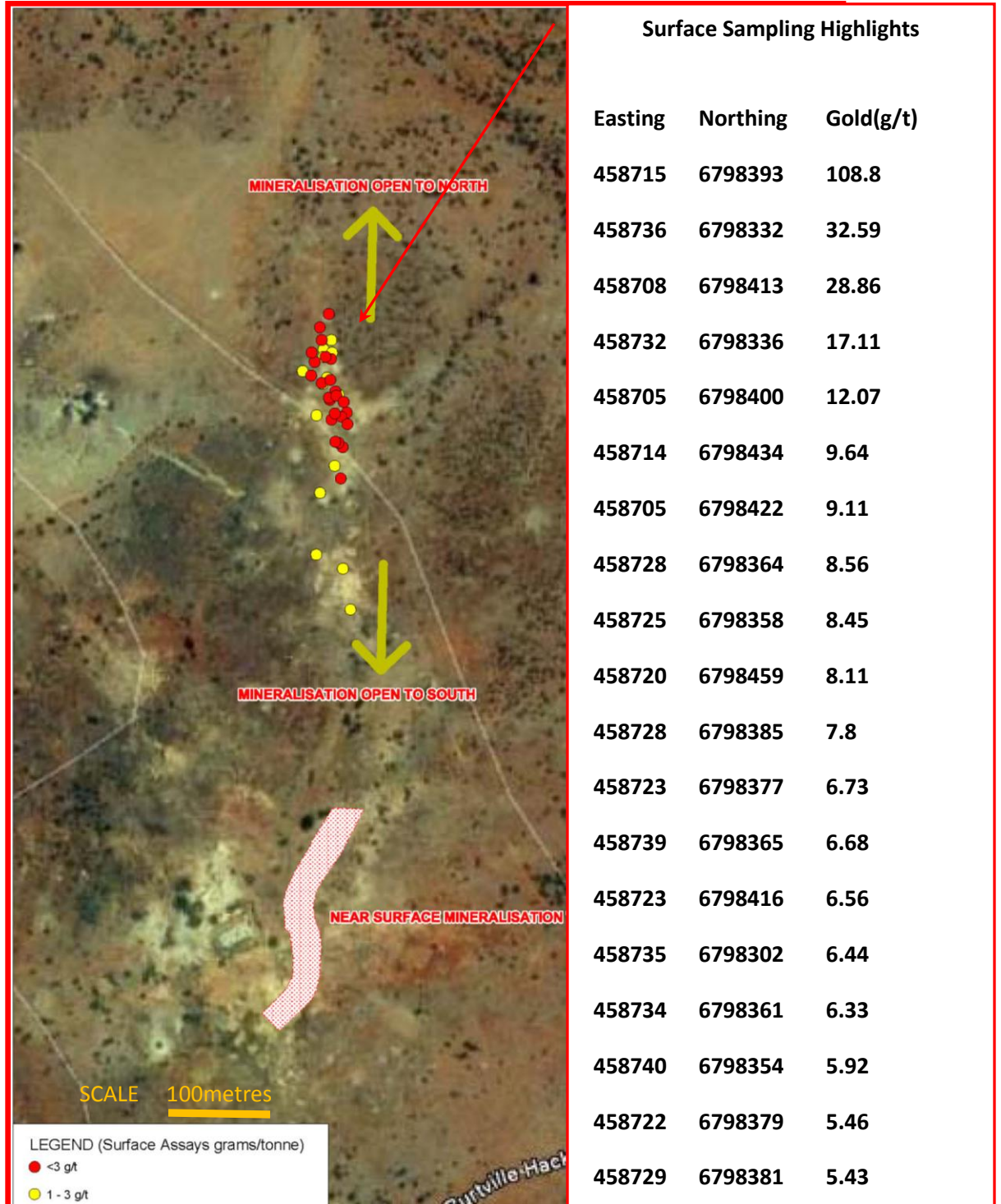
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Figure.2 Enlarged View (from Figure.1) of Gamma Gold Assay Highlights



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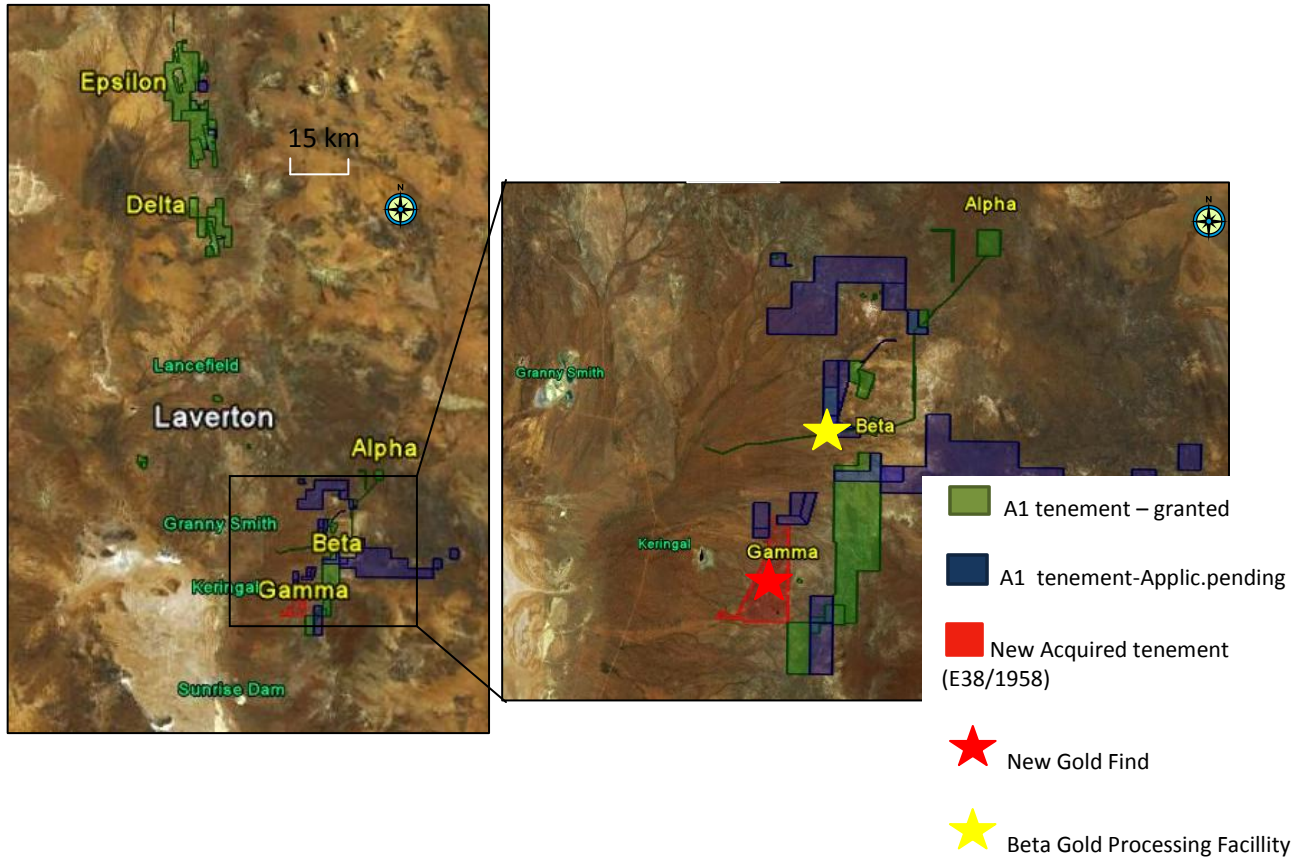
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Figure.3 Brightstar Gold Project Tenements; and  
 Figure 4. A1 Minerals' Tenements Surrounding Brightstar Beta Mine and Gold Processing Facility



## Exploration Licence surrounding new gold discovery acquired in tenement swap plus \$500k cash to A1

A1 Minerals Limited has acquired the exploration licence which surrounds the new gold discovery at Brightstar Gamma. Under the terms of the acquisition with Regis Resources Limited (RRL), A1 Minerals Limited (AAM) has agreed to exchange mining lease M38/302 and miscellaneous licence L38/85 in return for Regis Resources Limited (RRL) exploration licence E38/1958 plus \$0.5m cash payment to AAM.

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M38/302 is more than 160 kilometres from the Brightstar (Beta) Processing Plant and A1 Minerals geological consultants' estimated mineral resources here to be 287,156 oz gold at a grade 1.2 g/t. An updated Table of Mineral Resources Estimates ' is attached which shows the adjusted mineral resource inventory.

The newly acquired exploration licence is less than 10km from Beta and significantly increases ground holdings near the plant which greatly enhances the prospect of further growth of resources close to the Beta processing plant.

An exploration program is currently underway to uncover what is hosting the auriferous quartz veins to identify the orientation of gold mineralisation for the drilling stage.

## Signed

**John Williams**  
**Managing Director – A1 Minerals Limited**

For further information  
contact John Williams on Ph: (08) 92441400 or Email: [contact@a1minerals.com.au](mailto:contact@a1minerals.com.au)

*The information in this report that relates to exploration results is based on information compiled by Mr John Williams who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr John Williams is a full time employee of A1 Minerals Ltd and consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.*

## 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 development. The 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.

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**Table: 1 Table of Mineral Resources Estimates(Updated 30th June 2010)**

LOCATION	Measured			Indicated			Inferred			TOTAL		
	Tonnes	g/t	grams	Tonnes	g/t	grams	Tonnes	g/t	grams	Tonnes	g/t	grams
ALPHA	178,900	3.8	679,820	311,900	2.7	842,130	631,400	4.2	2,651,880	1,122,200	3.7	4,152,140
BETA	68,900	4.0	275,600	628,900	3.9	2,452,710	1,064,900	5.2	5,537,480	1,762,700	4.5	7,932,150
GAMMA							27,600	3.4	93,840	27,600	3.4	93,840
DELTA				4,152,100	2.3	9,549,830	3,403,900	3.8	12,934,820	7,556,000	3.0	22,668,000
EPSILON				1,774,900	1.8	3,194,820	1,163,900	2.3	2,676,970	2,938,800	2.2	6,465,360
TOTAL	247,800	3.9	955,420	6,867,800	2.3	16,039,490	6,291,700	3.8	23,894,990	13,407,300	3.1	41,311,490

All data is rounded and discrepancies in summation may occur.

The Table of Mineral Resources Estimates which is updated 30th June 2010 takes into account resources which have been diminished only through tenement swaps and sales since April 2009 including the 'Zeta tenement'(287,516oz) and the 'Eta- No Mistake'(36,225oz) tenement. The estimates are based on the statement of Mineral Resources for the Brightstar Gold Project in April 2009.

The information that relates to Mineral Resources for the Brightstar Gold Project is based on A1 Minerals Statement of Mineral Resources for the Brightstar Gold Project (April 2009) which is based on the information compiled by Mr Anthony Ryall who is an independent consulting geologist and a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr Anthony Ryall has provided Competent Person sign-off for the quality and representativity of the drill hole data, geological interpretations, resource estimation procedures and results.

The Company has recently undergone the transition from explorer to miner and geological understanding and databases have subsequently increased the knowledge and understanding of its deposits which may result in changes to these estimates. Other factors which may change current estimates are ore reconciliations through the plant as well as changing economic conditions.

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