



25th October 2010

Current Issued Capital:
200,668,425 Ordinary Shares

Market Cap
at 13.0 cents: \$26m

SEPTEMBER QUARTER ACTIVITIES REPORT

Quarterly Highlights

- \$6.1m revenue in the quarter from gold and silver sales
- 4,359 oz of refined gold produced (including 2,100 oz in the month of September)
- Cash site operating costs per ounce for the quarter were \$916 which were impacted by the high volumes of waste removed during the quarter. It is expected that the cash costs will fall to targeted level of \$700 per ounce.
- Gold Plant operating reliably and above designed capacity in the month of September (31,067 tonnes crushed and 30,276 tonnes milled)
- Supergene ore body now exposed with mining in December quarter
- ~8,280 oz gold production forecast next quarter
- Mr Albert Longo, Mr Bill Hobba and Mr Rick Stroud have joined the Board



Photo: Crushed stockpile

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1.0 Introduction

By the end of the quarter the Brightstar Gold Plant was producing ~ 450 oz fine gold a week with the largest pour of 516 oz in the month of September.

2.0 Mining (Outsourced to Watpac)

During the quarter, Watpac (A1 Minerals' mining contractor) continued to develop its knowledge of the Laverton area and are constantly adjusting and improving mining processes in consultation with A1.

Watpac sourced ore from three pits on Beta and were mining 24 hrs a day for most of the quarter to further build high grade ore on the ROM pad and assist in exposing additional ore for future mining by removing additional overburden. Nightshift has since been stopped as it was no longer required.

Volumes moved for the quarter were 845,042 bcms of waste and 54,012 bcms of ore. The high volume of waste moved in the quarter reflected the need to expose additional ore for continuing ore production and impacted the costs of production.

3.0 Production

3.1 Grade Controls

Gold recovered to date and regular onsite testing reflects the estimates from drilling. Optiro (mining consultants) are helping to improve grade control and mining methods and this is proving to substantially reduce ore dilution.

Current ore supply to the plant is ~3-3.5 g/t which is a blend from the wetter high grade supergene ore and low grade ore.

3.2 Gold Produced

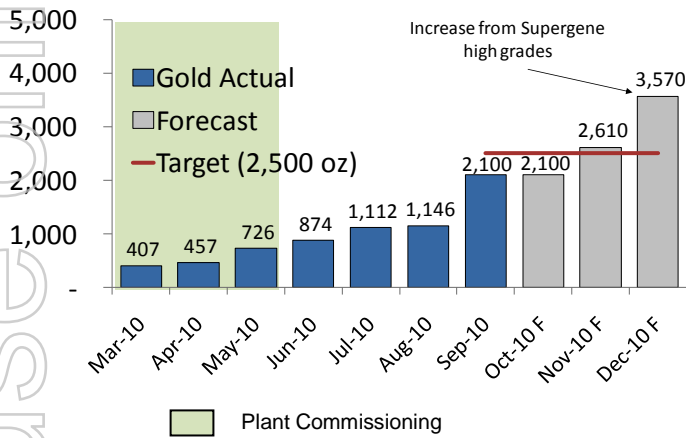
A1 Minerals produced 4,359 oz of refined gold (including 2,100 oz in the month of September) in the quarter and 6,952 oz of refined silver.

Pours are occurring weekly.

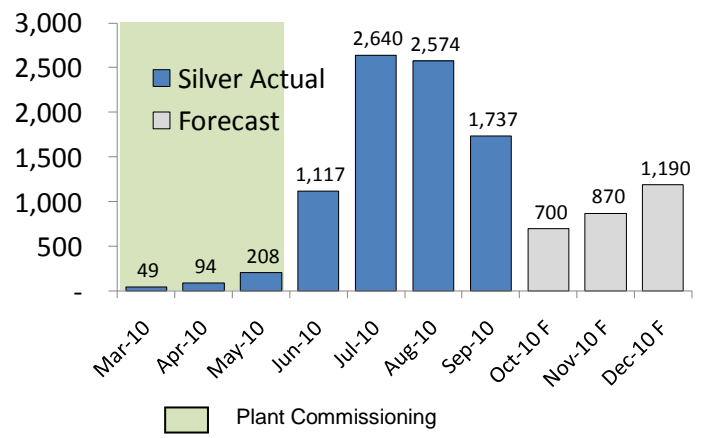


3.3 Production Statistics

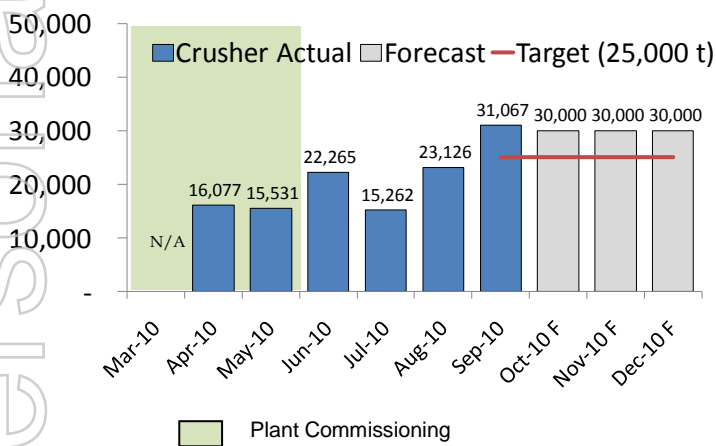
Monthly Gold Produced (Ozs)



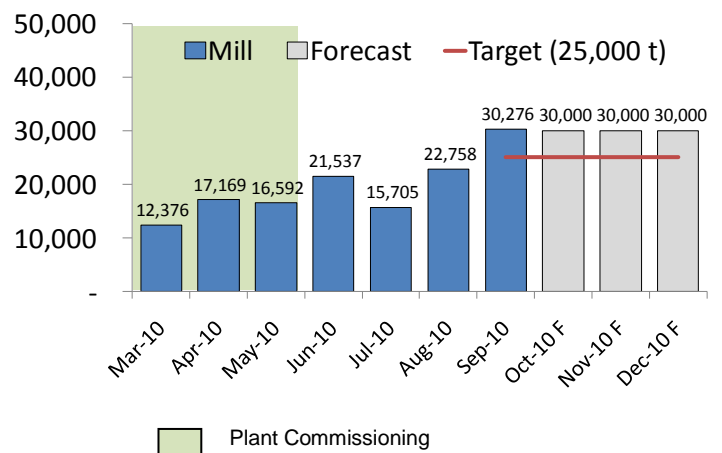
Monthly Silver Produced (Ozs)



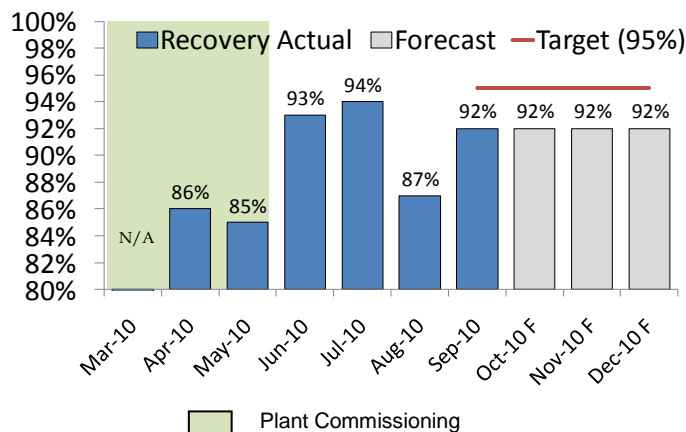
Monthly Crusher Performance (t)



Monthly Mill Throughput (t)



Recoveries (%)





Production Figures

	Gold Actual (oz)	Target (2,500 oz)	Silver Actual (oz)	Recovery Actual (%)	Target (95%)	Crusher Actual (t)	Target (25,000 t)	Mill Actual (t)	Target (25,000 t)
Mar-10	407	2,500	49	n/a	95%	n/a	25,000	12,376	25,000
Apr-10	457	2,500	94	86%	95%	16,077	25,000	17,169	25,000
May-10	726	2,500	208	85%	95%	15,531	25,000	16,592	25,000
Jun-10	874	2,500	1,117	93%	95%	22,265	25,000	21,537	25,000
Jul-10	1,112	2,500	2,640	94%	95%	15,262	25,000	15,705	25,000
Aug-10	1,146	2,500	2,574	87%	95%	23,126	25,000	22,758	25,000
Sep-10	2,100	2,500	1,737	92%	95%	31,067	25,000	30,276	25,000
Oct-10 F	2,100	2,500	700	92%	95%	30,000	25,000	30,000	25,000
Nov-10 F	2,610	2,500	870	92%	95%	30,000	25,000	30,000	25,000
Dec-10 F	3,570	2,500	1,190	92%	95%	30,000	25,000	30,000	25,000

3.4 CIL Plant Status

Process Plant

A1's CIL gold processing plant has been reliable over the quarter. The plant has a rated capacity of 300,000 tpa (25,000 t per month) and throughput for the quarter was 68,739 t (30,376 t in the month of September).

Crushing Circuit

A1's crushing circuit has been tested up to 100 tph which is significantly more than milling capacity. 69,455 t were crushed in the quarter.

4.0 Staff/Employees

A1's staff numbers were 38 at the end of September. The accommodation village onsite has capacity to accommodate all contractors, including those that were required for the night shift operations.

Corporate

Board Changes

Mr John Williams resigned as Managing Director in August 2010. His options lapsed in accordance with the terms on which they were issued

Following Mr Williams resignation, Mr Albert Longo, Mr Bill Hobba and Mr Rick Stroud joined the Board. Mr Longo is Finance Director (and Chief Financial Officer and Company Secretary), Mr Hobba as Technical Director and Mr Stroud as a Non Executive Director.

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The new board acknowledge that it has been a tough quarter for the company, however, after reviewing the Brightstar operation, it is confident that production is continuing to improve towards target levels.

The company has commenced upgrading of its website and logo and the new website should be in operation by mid November 2010.

Share Purchase Plan Closes

A1's Share Purchase Plan (SPP) closed in August and raised \$0.7m cash.

For further information, please see other ASX announcements or email Liam Wheaton from Investor Relations on LiamW@a1minerals.com.au.

Yours sincerely,

Albert Longo

Finance Director – A1 Minerals Limited

For more information, please contact Investor Relations on LiamW@a1minerals.com.au or call (08) 9244 1400.

A1 Minerals website: www.a1minerals.com.au

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.

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