

11 May 2009

ASX ANNOUNCEMENT

A1 Minerals confirms another step towards gold production by signing treatment plant construction contract

- **\$1.7M Contract Awarded to CPC Engineering for plant refurbishment, construction and commissioning**
- **Development Schedule on target for 2009 gold production**
- **\$1.1M Placement will total cash of \$3.8M**
- **Significant reduction in funding costs**

The Directors of A1 Minerals are pleased to announce the signing of the contract for the refurbishment and construction of the BrightStar Gold Treatment Plant with CPC Engineering of Kalgoorlie, Western Australia.



Mr John Williams Managing Director of A1 Minerals Limited on right with Mr Ernie Williams Manager of CPC Engineering

The contract is for fixed price of \$1.7M. CPC has already started refurbishment and the plant is scheduled to be completed and commissioned by 30th October 2009.

The placement announced recently for \$1.1M has permitted the directors of A1 Minerals to undertake the financial liability of signing the agreement with CPC Engineering. The agreement allows A1 Minerals to take advantage of significant cost savings from the current availability of personnel and engineering services in Western Australia.

Immediate construction of the plant was required to enable commencement of production before the cyclonic rainy period of November through to March. The directors decided it was more cost effective to do a quick placement than halt the Brightstar development schedule while chasing funding at a possibly higher share price (which they viewed as problematic as a result of current volatility in capital markets.).

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Although construction and mining approvals are not yet finalised, the company expects to be in production before the end of the year. The cost savings currently being experienced are having a positive impact on funding requirements. The rest of the financing required now estimated at \$7M, is expected to come from debt and/or equity.

Table.2 BRIGHTSAR SUMMARIZED DEVELOPMENT AND PRODUCTION SCHEDULE	
MAY – SEPT 09	PLANT REFURBISHMENT AND CONSTRUCTION
OCTOBER 09	PLANT AND OTHER INFRASTRUCTURE COMPLETION
NOVEMBER 09	PLANT COMMISSIONING AND MINING COMMENCEMENT
DECEMBER 09	PRODUCTION RAMP UP TO 30,000oz pa OUTPUT
2010 – 2013 inclusive	30,000oz pa PRODUCTION FOR 4 YEARS

The Board is delighted the project is on schedule after announcing its first 150,000oz ore reserve just last month and the addition of the new discovery at Delta in February this year (725,000 oz resource for company total of 1.7M oz resource).

Yours sincerely



John Williams
Managing Director - A1 Minerals Limited

The information in the statement of Mineral Resources for the Brightstar Gold Project is based on 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 information in this report that relates to Brightstar Gold Project ore reserves estimates 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 the report of the matters based on this information in the form and context in which it appears.

BACKGROUND

A1 Minerals Limited (A1) is an emerging Australian gold miner with its 100% owned BrightStar Gold Project in development for starting this year. 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. In five years since its successful listing on the ASX in December 2003, A1 Minerals (ASX: AAM) assets have grown through prudent acquisition and successful exploration to a total ground holding of more than 2500 square kilometers; a JORC Resource of more than 1.7Moz including JORC Reserves of 150,000oz; and its own gold treatment plant currently under construction and expected to produce 30,000oz gold per annum.