

ASX Announcement



12th November 2009

Current Issued Capital
160,709,311 Ordinary Shares

Market Capitalisation
at 30 cents \$48m

Cash at Bank
\$6.0m

MINING CONTRACTOR APPOINTED PLACEMENT WITH INSTITUTIONAL INVESTORS SALE OF NON-CORE TENEMENTS AT NARNOO

A1 Minerals Limited announces the appointment of WATPAC as mining contractor at Brightstar. WATPAC is a major construction, property, mining and civil infrastructure contractor listed on ASX. Mining is scheduled to commence on 23 November 2009.

The mining contracting process has identified an opportunity for significant savings in mining costs if A1 uses a larger fleet of excavator/dumptruck combination but this requires mining more upfront waste than originally planned with a consequent increased upfront capital cost of approximately \$1m.

To fund this, the Company has raised \$1.4m by placing shares to several institutional investors identified by Bligh Capital of Sydney. Approximately 7.4m new shares at an issue price of \$0.19 each will be issued. Pricing for the placement was based on a 15% discount to the VWAP over the 10 trading days before the mandate letter was signed with Bligh Capital on 27 October 2009. Further details of the share issue will be confirmed in an Appendix 3B to be released on clearance of all funds.

A further \$0.3M has been raised from the sale of non-core exploration tenements at Narnoo in respect of which A1 has retained a 2% NSR royalty.

A1's Brightstar treatment plant is more than 90% complete and due to go into production in December. The plant will initially be producing 150koz of gold over 4 years at a rate of approximately 30koz per annum. However the Company is now advancing plans to rapidly expand production from A1's present inventory of 1.7Moz gold resources to take advantage of the recent significant rises in the price of gold.

The Company has recently identified new gold mineralisation at surface between one hundred metres and four hundred metres to the north of the Company's treatment plant. Drilling of this new zone will start next week.

The board of A1 Minerals are happy with the development of the Brightstar due to pour its first gold in December.

John Williams

Managing Director – A1 Minerals Limited

For full reports and information go to A1 Minerals website: www.a1minerals.com.au or ASX Code: AAM

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