

Dow Jones *Contributing to the Wall Street Journal*

Aim Resources To Finalize Burkina Faso Zinc Offtake Deals

SYDNEY (Dow Jones)--African miner Aim Resources Ltd. (AIM.AU) expects to sign offtake agreements for its zinc mine in [Burkina Faso](#) within the next two months, company chairman Marc Flory said Wednesday.

The Perkoa zinc mine, the first in landlocked [Burkina Faso](#) and in West Africa, will produce around 70,000 metric tons of zinc concentrate over the mine's life starting sometime in 2008, with the company aiming to finalize supply agreements with Xstrata PLC (XTA.LN) and Sweden's Boliden.

Aim already has an offtake agreement with Brazilian metals group Votorantim for 45,000 tons.

The concentrate will move via rail to Abidjan in Ivory Coast and then on to Xstrata's Asturiana de Zinc SA smelting operation in Spain and to Boliden in Sweden, selling remaining material on the open market.

One of the poorest countries in the world, landlocked [Burkina Faso](#) relies on cotton and cattle as its main export earners.

At current zinc prices on the London Metal Exchange, Aim's Perkoa mine will account for over 20% of the country's export earnings and around 4% of GDP.

Zinc is the least favorite base metal among analysts, who expect the market to tip into a surplus in 2008, with the International Lead and Zinc Study Group forecasting 2008 supply to rise by nearly 8%.

"I don't believe the zinc market outlook to be bearish and don't see a supply overhang. Cost overruns, delays and other constraints in the mining industry are continuing, and zinc is no exception," Flory said.

Aim Resources bought the project in 2005, following the implementation of a "very favorable" mining act, construction of a railway line and rise in zinc prices, Flory said.

Currently listed on the Australian Stock Exchange and London's Alternative Investment Market, the company is planning to drop its listing on London's Alternative Investment Market within the next three months and move to the Toronto Stock Exchange instead because of lack of liquidity on AIM, Flory said.

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