



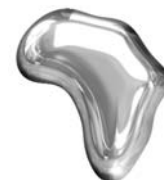
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COMPANY INFORMATION

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LETTER TO SHAREHOLDERS

Dear Fellow Shareholder,

It gives me great pleasure to update you on the progress your Company has made in achieving its African focussed resource strategy over the last year.

Over the past twelve months your Company has made significant progress and this period has been the most active in the Company's history. During this time frame the Board has:

- launched its African Strategy
- evaluated numerous opportunities
- formed a Strategic BEE partnership with Matimba Platinum
- successfully spun out Discovery Nickel Ltd
- announced Mokopane PGM deal
- announced Mooiplats Platinum deal
- announced option to purchase Perkoa Zinc
- announced joint venture with BHP Billiton in Zambia
- raised a significant amount of capital to undertake these deals.

On 8 July 2004 we announced the completion of the purchase of the Mokopane PGM Project following receipt of South African Reserve Bank approval.

Acquisition of the Mooiplats Platinum Project is also approaching its final stages, with settlement subject to Ministerial approval. This consent is required as part of the new mining legislation that recently came into force in South Africa on 1 May 2004. The application for consent is made by the seller, Southern Sphere, and the onus is on the vendor, not the buyer, to seek approval.

We are confident that given our strong relationship with our BEE partner, Matimba Platinum (Pty) Ltd, and compliance with the requirements of the new Minerals and Energy Act, that AIM will secure the Mooiplats project.

Working in the South African resources sector with its new legislative regime is not without risk. However, with risk comes reward, and your Company, through its legal and technical advisors, as well as its committed BEE partners, has put steps in place to mitigate risk during the transitional phase of the new mining legislation.

In conjunction with the vendor, we have negotiated an extended timeframe in which to settle the Mooiplats transaction to take in account the uncertainty of the timing for the approval process. The current agreement now runs to 30 November 2004. My team is working very hard to ensure that every possible step has been taken to achieve this target date.

Apart from our attractive platinum deals in South Africa, we have been active in pursuing opportunities in other parts of Africa, in line with our consistently stated "African focussed" resource strategy.

The recently announced option to purchase the world class Perkoa Zinc Project in Burkina Faso is an exciting recent addition to the Company's portfolio. The high grade zinc mineralisation has been the subject of much work by BHP Billiton, including a pre-feasibility study. We are currently undertaking due diligence on the project and tasked Snowden Mining Consultants to calculate a JORC compliant resource estimate. We announced to the market on 26 August 2004 a JORC compliant inferred mineral resource of 7.06 million tonnes grading 17.7% Zn (at a 10% Zn cut off).



LETTER TO SHAREHOLDERS

I have visited the site along with our technical consultant based in Ghana. The technical aspects of the property are very favourable. The main items to focus on are the economics of transporting product to a suitable zinc refinery and the cost of power to the mine site. We have already identified an innovative approach to these transport and power issues that will assist the economics of developing this project.

In the event that we exercise the option to purchase the Perkoa project, the next step in the process would be to conduct a Bankable Feasibility Study to assess the viability of this exciting project.

Additionally, we have partnered with BHP Billiton to conduct an exploration joint venture in Zambia. This offers the company another strategic opportunity to explore a highly prospective area in conjunction with the world's premier mining company.

One of the issues the Board and I have reviewed is how to maximise value for Shareholders, given the current combination of African located platinum and base metal assets.

Investment in Africa based projects traditionally comes from the UK and Europe with their larger, more liquid and knowledgeable capital markets. These markets also place a higher value on assets that AIM Resources currently hold.

To this end we have decided to jointly list your Company on the London Stock Exchange's Alternate Investment Market. Grant Thornton UK have been appointed your Company's nominated advisor to "fast track" AIM on the Alternate Investment Market.

In summary, going forward I expect by the end of this year to;

- Receive ministerial approval for Mooiplats
- Strengthen AIM's management team and board
- Complete due diligence on the Perkoa zinc project
- Look to carry out upgrade drilling at Mokopane and Mooiplats projects
- Finalise the process of listing on the Alternate Investment Market in London
- Fly a "state of the art" Falcon airborne gravity survey over the Mumbwa project in Zambia, a JV with BHP Billiton.

We appreciate the continued support from our Shareholders and look forward to growing this enterprise into a mid sized mining company, in line with the strategy the Board put in place just over a year ago.

Marc Flory
Managing Director



COMPANY BACKGROUND & STRATEGY

Key Points

- Owns +1 million ounce Mokopane PGM Project in South Africa
- Process of purchasing +10 million ounce Mooiplats Platinum Project in South Africa
- Option to purchase high grade Perkoa Zinc Project (7.06 million tonnes grading 17.7% Zn) in Burkina Faso
- Joint venture with BHP Billiton in major Copper-Gold Project in Zambia

Background

AIM Resources Ltd ("AIM") is focussed on creating growth in shareholder value through the acquisition and responsible development of major mining ventures in Africa.

In South Africa, AIM owns the Mokopane PGM Project on the northern limb of the Bushveld Igneous Complex ("BIC") in South Africa and is in the process of acquiring the Mooiplats Platinum Project, a significant platinum asset in the eastern limb of the BIC containing a JORC compliant inferred resource of 10.2 million ounces platinum group metals (PGM) in the ground.

The BIC is the world's premier environment for PGM deposits, accounting for approximately 80% of the known resources and 67% of the annual global production of platinum. The vast complex is comprised of four areas or limbs, in which three main PGE-bearing horizons occur: the Merensky Reef, the UG2 Reef and the Platreef. Most PGM production from the BIC to date has been from underground operations on the Merensky and UG2 reefs.

AIM has also signed a Memorandum of Agreement (MOA) with BHP Billiton Development BV and Metorex Limited (a South African listed company) to purchase Metorex Burkina Faso BV, the owner of the high grade Perkoa Zinc Project in Burkina Faso, West Africa. The project has a JORC compliant Inferred Resource of 7.06 million tonnes grading 17.7% Zn (at a 10% Zn cut off). The Resource Estimate highlights the project's potential for near-term production, post completion of a bankable feasibility study.

In Zambia, AIM has a joint venture with BHP Billiton to explore the Mumbwa Copper-Gold Project. The area is prospective for iron oxide copper-gold deposits similar to the world class examples of Olympic Dam (South Australia) and Ernest Henry (Queensland). Previous drilling in the mid-late 1990s by BHP Billiton outlined significant mineralisation in 8 of 9 holes over a strike length of approximately 6 km, but may have fallen short of the main targets indicated by geophysical surveys. A Falcon airborne gravity survey has been planned to identify further targets later this year.

AIM's African Strategy

The company has strong shareholder support for developing the Company into a mid-sized mining house within five years through the acquisition and responsible development of mining ventures in Africa.

Based on the collective skills and experience of the strengthened management team, and also landmark changes in South Africa affecting the mining industry, AIM has embarked on an African mineral development strategy. In particular AIM will focus on various PGMs in South African plus gold and base metal assets in selected countries elsewhere in the African continent.

AIM's African strategy is focussed on:

- Accessing Platinum projects in South Africa:
- Seeking Base Metal and Precious Metal projects in West Africa and the Zambian Copper Belt.
- Targeting mainly advanced exploration/pre-production projects, and also existing operations where there is perceived opportunity to add value through overhauling existing operations and/or injecting other complimentary assets.
- Seeking to apply Australian mining experience (technical and financial) to projects identified by AIM.



COMPANY BACKGROUND & STRATEGY

South Africa's New Legislative Environment

Like Australia, South Africa has a large export-orientated mining industry, based on a substantial mineral endowment, and on a conducive legal and fiscal framework.

However, historic change is underway in two critical respects:

- all existing mining rights will now face a “use it or lose it” work program test (as applies in most countries). Most of these rights had been held by a handful of major companies.
- all mining rights, old and new, will need to become “black economic empowered”.

The new Mineral and Petroleum Resources Development Act No.28 (2002) (“MPRDA”) allows for conversion of “old order” mining rights (be they mining rights, prospecting rights or “unused” rights) to “new order” mining rights. Conversion will depend on a work program test and compliance with the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry (“Mining Charter”).

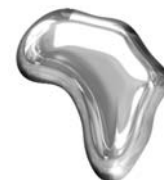
Ownership and Joint Ventures: includes HDSA equity participation (through Black Economic Empowerment (“BEE”) accredited groups) of 15% within 5 years and 26% within 10 years.

AIM's BEE Partner – Matimba Platinum

Matimba Platinum is an emerging private mining company owned and managed by black South African professionals.

The company was formed to maximise mining opportunities with high growth potential in South Africa. The South African government is playing a fundamental role in being a catalyst for the economic development of the region. Current legislation in South Africa provides for companies owned by historically disadvantaged persons to participate in a meaningful way in the industry, and therefore in the mainstream South African economy. Matimba is taking advantage of this opportunity.

Matimba subscribes to sustainable mineral development, distribution of mineral resources and the optimisation of benefits resulting from the exploitation of these resources. The company will play its part in contributing to mining investments that create jobs, wealth and long-term sustainable, equitable growth.



DIRECTORS AND MANAGEMENT

AIM's Management Team

AIM has an experienced technical and financial team to implement its growth strategy. Individuals within the team have successfully funded and managed mining projects within Africa, Asia and Australia, and have raised large amounts of capital (debt, equity and private capital) from various capital markets around the world.

The team capabilities cover management matters as well as funding and technical issues, exploration geology, mining investment analysis, legal and human resources matters.

Marc Flory - Managing Director

Marc Flory has 25 years experience in financial markets (including equity & project investment funds management) and the mining industry, in South Africa and Australasia. He has held senior positions at Goldfields of SA, JCI, Canadian Imperial Bank of Commerce, Citibank, and the AMP. At the AMP he conceived and headed-up Australia's first International Private Capital Fund, and ran the large Direct Investment Unit that invested directly in mining, infrastructure and industrial projects. In this position he held a number of directorships. He holds graduate and postgraduate qualifications in Geology, Mineral Economics and Economics. He has an extensive network in Africa and Asia, both at business and government levels.

Scott Reid - Executive Director

Scott Reid has had 15 years experience in exploration and mining finance with a background in mineral exploration (geophysics) management worldwide with Geoterrax, a subsidiary of multinational French corporate, Compagnie Generale Geophysique (CGG) and financial analysis of resource projects and companies. He holds graduate and post-graduate qualifications in geophysics, applied finance and mineral economics and is on the board of a number of Australian listed companies.

Louis Mnguni - Non-Executive Director

Mr Mnguni was a Philosophy Lecturer at the University of the North, South Africa. He became President of the United Democratic Front ("UDF"), Northern Transvaal and a member of the UDF National Executive Committee. The UDF was an affiliate of the African National Congress ("ANC"). During 1993 and 1994 he was the overall election coordinator for the ANC in the Northern Province. From 1994 to 1999, Mr Mnguni was a Member of the National Assembly (South African Parliament), representing the ANC, and served in the Portfolio Committees of Foreign Affairs, Education and the Reconstruction and Development Program.

From February 1999 to March 2004 he was the South African High Commissioner to the Republic of Mauritius. Currently he works within the South African Department of Foreign Affairs with specific responsibility for the area encompassing the Horn of Africa. With degrees in Sociology, Philosophy and Politics and extensive experience in diplomacy and government, Mr Mnguni is a valuable member of the Board.

Wayne Kernaghan - Company Secretary

Wayne Kernaghan is a qualified chartered accountant with over 18 years experience in the mining finance industry. Initially with Price Waterhouse, he has since specialised in financial management and providing company secretarial services to Australian listing companies.

He was formerly the Australian Investment Manager of Waverley Mining Finance plc and Chairman, Perseverance Corporation Limited. He is currently a Director of IncomePlus Ltd and Cullen Resources Limited and provides company secretarial services to other listed companies.



DIRECTORS AND MANAGEMENT

Senior Management

Trevor Gillard - South African Exploration Manager

Over 20 years experience in the mining and financial services industries in South Africa covering exploration, mine geology, investment analysis and project management.

Trevor worked as a geologist for six years in coal exploration with Anglo American and 3 years in gold mining at Vaal Reefs and Blyvooruitzicht - deep level operations in South Africa. He began a career in financial services as a mining analyst with Standard Merchant Bank and Liberty Asset Management before moving into stock broking with Fleming Martin. The latter involved analysis of companies operating in west, east and central Africa. Since 1998, Trevor has worked in New Mining Business with JCI and as a consultant involving gold, base metal and diamond projects in South Africa, Mozambique, Peru, Romania and Kazakhstan.

Paul Abbot - West African Exploration Manager

Paul Abbott is a geologist with 35 years of international exploration and mining geology, engineering geology and hydrogeology experience covering a broad range of geological terrains and minerals. Metallic minerals include gold, platinum, copper, nickel, lead and zinc, while non-metallic minerals include diamonds, emeralds, asbestos and coal. He holds undergraduate and post-graduate degrees in geology.

Paul has a proven record of success in discovering and defining ore reserves and resources. Geological modelling of regional structures in West Africa has led to the discovery of sub-parallel shear zones in lithologies previously regarded as barren, resulting in the significant expansion of new exploration target areas.

Paul is familiar with new as well as conventional exploration techniques, with skills in the selection and application of the appropriate technologies and equipment to design and implement cost-effective exploration and exploitation programmes.

Moeti Mpuru - Director, Matimba Platinum

A former South African student leader, Moeti has more than 10 years experience in corporate, political and stakeholder communication, having worked for both the private and public sectors in South Africa and abroad. He was the Funding and Sponsorships Manager for the Johannesburg World Summit Company, where he coordinated the funding process of over R500 million that ensured the successful hosting by South Africa of the World Summit on Sustainable Development in 2002.

He is former Secretary General of the National African Federated Chamber of Commerce, in the Limpopo Province; Project Development Manager for Sun International South Africa; and Business Development Manager at Twilight Advertising, where he was responsible for strategic marketing and focusing on the public sector. He has consulted for the Gauteng Department of Housing and Local Government, Nextcom Cellular, African Harvest, Ikageng Johnnic and the Phuthuma Futhi Share Schemes.

Prior to returning to South Africa in 1995 after a four-year stay abroad, Mpuru was the Secretary General of the Prague based International Union of Students, an international non-government organisation with consultative status within the United Nations Economic and Social Council and UNESCO.



PROJECT REVIEWS

Platinum Group Metals (PGM) Projects

Mokopane Platreef Project

AIM owns 100% Mokopane PGM Project which has prospecting rights on the predominantly farmland adjoining the town of Mokopane (farm Potgietersrus Town and Townlands 44KS) covering an area of 960 hectares, and first right of refusal over the remaining portions of the farm, measuring approximately 3,000 hectares. The project was acquired in July 2004, following the purchase of Platinexco (Pty) Ltd from JSE listed Thabex Exploration Limited ("Thabex"), for a total consideration of Rand 20 million (approx A\$4.2m).

The Mokopane PGM Project is located on the northern outskirts of the township of Mokopane in the Limpopo Province of South Africa, about 30 km south of Anglo Platinum's PPRust's open pit platinum mine (producing approximately 200,000oz of platinum per annum), Pan Paladium's Grass Valley project (1.53m oz platinum) and immediately south of African Minerals' large Platreef Project.

PGM mineralisation occurs from surface to a vertical depth of over 200m, within the Platreef zone of the Bushveld Complex. The Platreef on the Mokopane Project has a potential strike length of approximately 4.5 km to the north of Mokopane. The project area includes five known mineralised areas: South-West, Central, North-West, North-East and Far North Anomalies. In the South West deposit the mineralised Platreef is approximately 800 metres long and up to 250 metres wide in outcrop, and dips at 25°-50° towards the south west and west.

Approximately 15,330 metres of drilling was undertaken by Thabex and its forebears from 1989 to 1992, mostly on the South West Anomaly.

Snowden has reviewed the past exploration and previous resource estimates, and for the South West deposit has estimated a JORC compliant Inferred Resource (at a zero cut off grade) of 39.7 million tonnes at 0.146% nickel, 0.085% copper, 0.22 g/t platinum and 0.33g/t palladium.

Importantly, this is the first time that the resources at Mokopane have been classified in accordance with the 1999 JORC Code. Due to the lack of sufficient data at this stage, the estimate excluded any contained gold and rhodium. Using a conservative long-term nickel price of US\$3.60/lb (US\$7,937/tonne), compared to the current market price for nickel of US\$5.87/lb (US\$12,950), (as quoted in the Sydney Morning Herald, 2 September 2004), this represents an insitu global resource of over 1 million ounces platinum equivalent.

Metallurgical testwork in the early 1990s by Mintek, on a bulk sample as well as drill core, indicated acceptable recoveries for all of the main valuable contained metals.

A feasibility study in 1992 concluded that development was uneconomic at then prevailing metal prices. However, prices in the early 1990s were cyclically low. In addition AIM believes there is scope to significantly extend the current resources, through drill testing extensions of the South West anomaly, and the other four anomalies to the north, all of which are only lightly drilled so far.

The Mokopane Platreef Project lends itself to development by large scale, low strip ratio open pit mining and this development concept will be used in planning further exploration to extend the existing resource. The current resource estimate for the Mokopane Platreef Project is based only on the mineralisation associated with the South West anomaly of the Mokopane property, to a maximum depth of approximately 200m. This resource remains open at depth and to the south east.

In addition, the four other anomalies were identified in the 1988-1992 exploration program undertaken by previous holders of the property. These contain significant mineralisation, which has not been included in the current resource estimate. AIM believes that, based on a review of the geology by the Company's internal technical consultants, there is a strong indication that further drilling may significantly extend the present resource.



PROJECT REVIEWS

AIM's management team are currently preparing an application for a new order prospecting right over the Mokopane PGM Project which outlines a drilling program to test further and define the resource at Mokopane.

The table below details the Mineral Resource Estimate for the Mokopane PGM Project in South Africa. The resources have been classified in the Inferred category according to the 1999 JORC Code. Snowden has carried out a review of the resource estimate, and can verify that the estimate is of sufficient quality to support the resource classification.

JORC Compliant Inferred Resource - Mokopane PGM Project Resource Tabulation

Cut-off grade (% nickel)	Category	Tonnes (Thousand)	Nickel grade (%)	Copper grade (%)	Platinum grade (g/t)	Palladium grade (g/t)
0.0	Inferred	39,740	0.146	0.085	0.22	0.33

Mooiplats Platinum Project

AIM has exercised its option to purchase 100% of the issued share capital of Mooiplats Mineral Holdings (Pty) Ltd ("Mooiplats") and Severin Development Corporation (Pty) Ltd ("SDC") for a total consideration of ZAR14.223 million (approximately \$A3.1m at 1 AUD: 4.66 ZAR).

Mooiplats holds a 76.84% shareholding in Southern Sphere Mining and Development (Pty) Ltd ("SS") which owns the Mooiplats Platinum Project. The other 23.16% is held by Midvaal Mining Pty Limited ("Midvaal"), a subsidiary of African Rainbow Minerals Limited ("ARM").

The settlement of the transaction is subject to South African Ministerial approval. To facilitate the approval process, the settlement date has been extended to 30 November 2004.

Mooiplats is an advanced exploration PGM project located adjacent to and down dip from Barplats Investments Limited's ("Barplats") Kennedy's Vale Platinum Project, occurring within the Eastern Limb of the BIC, some 15 kilometres southwest of the town of Steelpoort in the Mpumalanga province of South Africa.

The Mooiplats tenements comprise a portion of the farm Boschkloof 331KT and all of the farm Mooimeisjesfontein 363KT, totalling approximately 2900 hectares. Exploration activity at Mooiplats in the late 1980's tested the extent of PGM mineralisation developed within the Merensky and UG2 reefs. The PGM bearing Merensky and UG2 reefs have been intersected by drilling at depths that range from approximately 1000 metres to over 2000 metres below surface.

These reefs show a regional shallow dip of approximately 5 degrees to the southwest. Midvaal completed 7 drill holes on the Mooiplats project. An 8th hole, on the farm Mooimeisjesfontein, was suspended in order to resume drilling on Boschkloof. The average of the UG2 intercepts on Boschkloof is 0.92m at 7.75 g/t 5 PGM + Au, and on Mooimeisjesfontein, 1.43m at 5.46 g/t 5 PGM + Au. For the Merensky the respective average intercepts are: 1.03m at 4.85 g/t 5 PGM + Au (plus 0.21% nickel) and 1.95m at 4.85 g/t 5 PGM + Au (plus 0.18% nickel).



PROJECT REVIEWS

Snowden Mineral Industry Consultants (“Snowden”) reviewed the Mooiplats data and assessed the resource estimate delineated by Midvaal with respect to the reporting requirements of the Australasian Code for reporting of Mineral Resources and Ore Reserves.

Snowden, considered a world leading independent expert on platinum group metal deposits, also noted the significant exploration potential for the Mooimeisjesfontein area, which is adjacent to and along strike from the Boschklouf area and forms part of the Mooiplats Platinum Project. Snowden indicated that the Mooimeisjesfontein area has an Exploration Potential for a further of 93.5 million tonnes of combined Merensky Reef and UG2 Main chromitite seam at an average grade of 5.41 g/t 3PGM+Au containing 15.6 million ounces of 3PGM+Au. This does not imply that a mineral resource exists in the Mooimeisjesfontein area and is intended to provide guidance only as to the potential of the area.

With new order mineral rights ownership and BEE at the heart of the new and historic legislation, new applications are being rigorously reviewed by the Department of Minerals and Energy at both regional and head office level, prior to presentation to the Minister of Minerals and Energy for approval. The process is designed to ensure that both the spirit and the intent of the new legislation is fulfilled by any company seeking access to South Africa’s mineral rights.

AIM, Matimba and Southern Sphere are confident of reaching the end of the approval process. Accordingly, the date for settlement of the transaction has been extended until 30 November 2004, to allow the Ministerial approval process to take its course.

AIM has also started planning the field program for the Mooiplats Project so that work can begin as soon as settlement of the transaction takes place.

JORC Compliant Inferred Resources on Boschklouf Farm are:

UG2 Reef	26.5 million tonnes @ 7.1 g/t (3PGM + Au) for 6.1 million oz
Merensky Reef	34.4 million tonnes @ 3.7 g/t (3PGM + Au) for 4.1 million oz
Total Inferred Resources	60.9 million tonnes @ 5.4 g/t (3PGM + Au) for 10.2 million oz

- (1) Reported tonnes are discounted by 30% for geological losses
 - (2) 3PGM+Au includes 63% Pt, 35% Pd and 2% Rh for the Merensky Reef
 - (3) 3PGM+Au includes 52% Pt, 40% Pd and 7% Rh for the UG2 Main chromitite seam
 - (4) Average depth to Merensky Reef is 1,500m below the surface
 - (5) Average depth to UG2 Main chromitite seam is 1,700m below the surface
-



PROJECT REVIEWS

Base Metal Projects

Perkoa Zinc Project (Option with BHP/Metorex)

- AIM has received a JORC compliant Resource Estimate for the high-grade Perkoa Zinc Project in Burkina Faso, West Africa, which is currently under option with BHP Billiton and Metorex Limited.
- Independent firm, Snowden Mining Industry Consultants (“Snowden”) has confirmed an Inferred Mineral Resource of 7.06 million tonnes grading 17.7% Zn (at a 10% Zn cut off).
- Including Silver (Ag) credits, the Zinc equivalent grade is 18.6%¹
- The resource figures confirm previous estimates produced by BHP Billiton and Metorex that were not JORC compliant.
- The Resource Estimate highlights the project’s potential (see comparison with other ASX listed Zinc producers/explorers) for near-term production, post completion of a bankable feasibility study.
- AIM is currently finalising its due diligence of the project. AIM’s option, if exercised, would see BHP Billiton emerge as a substantial shareholder in AIM.
- Assuming satisfactory completion of its due diligence, AIM would move to complete a bankable feasibility study of the Perkoa project.

Although considerable data and evaluation material were available to AIM previously from work undertaken by BHP Billiton and Metorex, the results were produced prior to adoption of the JORC Code and could not be publicly released. AIM therefore engaged Snowden’s to re evaluate the material and to provide a report to the requirements of JORC. The evaluation undertaken by Snowden’s highlights the quality of the Perkoa Zinc Project and gives substantial encouragement as to its suitability as a near-term development opportunity for AIM.

Overview

The Perkoa Zinc Project is located in the Sanguie Province of Burkina Faso, 120km west of the capital Ouagadougou. It is 35km by road from the country’s third largest town, Koudougou, which is linked to neighbouring states of Cote D’Ivoire, Ghana and Togo by tarred roads and by rail to Abidjan, capital of Cote D’Ivoire.

This advanced Zinc Project has been extensively drilled by Billiton and other previous explorers during the 1990’s. Approximately 23,000m of diamond drilling has been completed on a 50m x 50m grid with limited infill drilling at 25m spacing covering in excess of 70 drill holes. The orebodies strike north east - south west, dip at approximately 60-80 degrees to the north west, and are open down plunge to the south west.

Zinc mineralisation at Perkoa was discovered in the late 1970s by testing coincident geochemical and geophysical anomalies. The Perkoa deposit is a classic volcanogenic massive sulphide (“VMS”) deposit hosted by the Lower Proterozoic Birimian Belt. The deposit is unusual for its high tonnage of zinc and barium mineralisation, and low concentrations of lead and copper.

Between 1979 and 1992 the deposit was the subject of three separate exploration campaigns. Then BHP Billiton was granted the Perkoa concession in 1997 for a period of 4 years renewable twice for a further period of two years each. The concession originally covered 484 km² but has since been reduced to approximately 320 km² as a consequence of statutory relinquishments. The country’s prospective Birimian rocks - the same sequences which host the major gold deposits in Ghana and Mali - have been the subject of exploration attention in recent years by major Multi Nationals.

Exploration Potential

Studies of VMS mineralisation throughout the world have shown that such deposits commonly occur in groups or clusters, and the potential for additional discoveries in the Perkoa area is considered to be very good. An Airborne Electromagnetic and Magnetic geophysical survey flown in mid 1998 identified a number of potential exploration targets that are still to be followed up.



PROJECT REVIEWS

Mineral Resource at Perkoa

As part of the Company's ongoing due diligence investigations in relation to the potential acquisition of the high-grade Perkoa Zinc Project from BHP Billiton and Metorex Limited, AIM has received the results of an independent Resource Estimate completed by leading independent consulting group, Snowden.

The table below details the Mineral Resource Estimate for the Perkoa Zinc Project in Burkina Faso. The resources have been classified in the Inferred category using the guidelines of the 1999 JORC Code. Snowden has carried out the resource estimate, and can verify that the estimate is of sufficient quality to support the resource classification.

JORC Compliant Inferred Resource - Perkoa Zinc August 2004					
Cut Off Grade (Zn)	Category	Million Tonnes	Zn (%)	Ag (g/t)	e Zn (%) ¹
10%	Inferred	7.06	17.7	37.8	18.6

¹ Equivalent Zn % calculated using Zn prices of Zn US\$960/t, Ag US\$6.67/oz

Attribution: The table is based on and accurately reflects information compiled by Mr G Greenway a full time employee of Snowden Mining Industry Consultants. Mr Greenway has sufficient experience with the relevant style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to be qualified as Recognised Mining Professional as defined in the ASX Listing Rules. Mr Greenway consents to the inclusion this information in the context in which it appears in this report and he confirms that the information in the report complies with Appendix 5A of the ASX Listing Rules.

Country Brief - Burkina Faso

Burkina Faso, formerly Upper Volta, population 13 million, gained independence from France in 1960 and the current government has been in power since 1987 when democratic, multi-party elections were introduced. The current President Mr Compaore was re-elected in 1998, with 87.5% of votes, for a 7 year term. The two largest exports for the country are cotton and cattle. Recent rains have improved the position on years of drought however poverty remains a major issue. The World Bank has currently committed US\$529 million to projects, primarily aid focused on diversification of rural production away from cotton. It became a MIGA member in 1988 and joined the IMF in 1963.

Mumbwa Project (JV with BHP Billiton)

- AIM has entered into a Joint Venture with BHP Billiton on the Mumbwa Copper-Gold Project ("Mumbwa") in Zambia, located north west of the capital Lusaka.
- AIM can earn a 70% interest by spending US\$3 million over a four year period.
- Mumbwa is a large iron oxide copper-gold mineralisation system. The Licence covers an area of nearly 5,200 km² and includes many prospects.
- Within Mumbwa, AIM will focus initially on the Kitumba region. 8 of 9 holes drilled by BHP Billiton in the mid-late 1990s encountered significant mineralisation, over a strike length of approximately 6 km, but may have fallen short of the main targets indicated by geophysical surveys.
- A new geophysical survey, integrated with past exploration work, will refine targets for further drilling.



PROJECT REVIEWS

Overview

The Mumbwa Prospecting Licence (PL LS39) is located within the Central Province of Zambia and is currently held by Billiton Development (Zambia) Limited. The licence covers an area of approximately 5,192 km². The area is prospective for iron oxide copper-gold deposits similar to the world class examples of Olympic Dam (South Australia) and Ernest Henry (Queensland). Modern exploration activities have been conducted by Gencor S.A. and its successor, Billiton, during the mid to late 1990s. AIM will initially focus its attention on the Kitumba Project, identified by Billiton and which contains several wide intersections of anomalous copper-gold mineralisation.

AIM intends to fly BHP Billiton's Falcon System (approximately 7,000 line km) recovering gravity, magnetic and radiometric data for interpretation and integration with the existing geophysical and geochemical data, in order to refine targets for further drilling.

Past detailed ground geophysics and geochemistry identified the Kitumba Project area as the main target for initial drilling. A total of 9 holes into 3 defined targets were drilled with none of the holes reaching the interpreted geophysical targets due to depth of weathering.

AIM's planned work program

AIM plans a staged exploration programme to test the outcomes from previous exploration:

1. Undertake an airborne geophysical programme to obtain gravity, magnetic and radiometric geophysical data, using BHP Billiton's Falcon technology, to supplement the ground geophysical data collected in previous programmes. Conduct detailed interpretation of all the geophysical data and correlate this with all other exploration data at Kitumba to develop specific drill targets for testing.
2. Undertake drilling of specific targets based on the interpreted geophysics and previous geology, geochemistry and drilling, targeting both the supergene and sulphide mineralisation and the oxidised near surface copper mineralisation which may be heap leached.

Country Brief - Zambia

Zambia, formerly Northern Rhodesia, gained independence from England in 1964. The Zambian Republic's Movement for Multiparty Democracy (MMD) Party has been in power since 1991 with parliamentary majority and the current Executive President Mr Mwanawasa was elected for a five year term in 2001. The World Bank currently has a commitment of US\$555 million to 14 active projects in the country which has a population of 10.3 million. Zambia has been a member of the IMF since 1965. The World Bank notes that the legal system origin and business language is English; business formation is relatively easy; and contracts enforceability is considerably better than OECD averages.

INVESTMENTS - DISCOVERY NICKEL

During the year the company restructured its Australian nickel exploration assets into a separate entity with the successful listing of its subsidiary company, Discovery Nickel Limited ("DNL") on the Australian Stock Exchange on 17 December 2003. DNL also holds the Australian nickel sulphide exploration assets of Falconbridge (Australian) Pty Ltd, a subsidiary of Falconbridge Limited, one of the world's largest producers of refined nickel.

AIM's investment in DNL comprises 5.5 million ordinary shares making it the joint largest shareholder along with Falconbridge. The company has two representatives on the DNL board.

Since listing DNL has successfully expanded its portfolio and in July 2004 announced the receiving, in conjunction with Falconbridge, the NE Botswana Brownfields Nickel Project.

The market value of AIM's investment in DNL at balance date was \$907,500.



DIRECTORS' REPORT

Your Directors present their report on the consolidated Entity comprising of AIM Resources Limited and the Entities it controlled at the end of or during the year ended 30 June 2004.

Directors

The names of Directors in office at any time during or since the end of the year are:

	Appointed	Resigned
M. Flory	8.7.2003	-
S.A. Reid	16.5.2002	-
L. Mnguni	18.11.2003	-
M. Cordiner	16.5.2002	28.9.2004
W.J. Kernaghan	8.7.2003	1.12.2003
W. Barber	16.5.2002	18.11.2003

Information on Current Directors

Marc Flory - Managing Director

Marc Flory has 25 years experience in financial markets (including equity & project investment funds management) and the mining industry, in South Africa and Australasia. He has held senior positions at Goldfields of SA, JCI, Canadian Imperial Bank of Commerce, Citibank, and the AMP. At the AMP he conceived and headed-up Australia's first International Private Capital Fund, and ran the large Direct Investment Unit that invested directly in mining, infrastructure and industrial projects. In this position he held a number of directorships. He holds graduate and postgraduate qualifications in Geology, Mineral Economics and Economics. He has an extensive network in Africa and Asia, both at business and government levels. He was appointed as a Director on 8 July 2003.

Scott Reid - Executive Director

Scott Reid has had 15 years experience in exploration and mining finance with a background in mineral exploration (geophysics) management worldwide with Geoterrex, a subsidiary of multinational French corporate, Compagnie Generale Geophysique (CGG) and financial analysis of resource projects and companies. He holds graduate and post-graduate qualifications in geophysics, applied finance and mineral economics and is on the board of a number of Australian listed companies. He was appointed as a Director on 16 May 2002.

Louis Mnguni - Non-Executive Director

Mr Mnguni was a Philosophy Lecturer at the University of the North, South Africa. He became President of the United Democratic Front ("UDF"), Northern Transvaal and a member of the UDF National Executive Committee. The UDF was an affiliate of the African National Congress ("ANC"). During 1993 and 1994 he was the overall election coordinator for the ANC in the Northern Province. From 1994 to 1999, Mr Mnguni was a Member of the National Assembly (South African Parliament), representing the ANC, and served in the Portfolio Committees of Foreign Affairs, Education and the Reconstruction and Development Program.

From February 1999 to March 2004 he was the South African High Commissioner to the Republic of Mauritius. Currently he works within the South African Department of Foreign Affairs with specific responsibility for the area encompassing the Horn of Africa. With degrees in Sociology, Philosophy and Politics and extensive experience in diplomacy and government, Mr Mnguni is a valuable member of the Board. He was appointed as a Director on 18 November 2003.



DIRECTORS' REPORT

Principal Activities

The principal activities of the Company during the financial year was mining and mineral exploration.

Review and Results of Operations

AIM Resources Limited continues to be involved in mineral exploration and mining. The net loss after providing for income tax amounted to \$2,103,660 (2003: a loss of \$578,523).

Significant Changes in State of Affairs

There was no significant change in the state of affairs during the financial year under review not otherwise disclosed in this report.

Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the parent entity, to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the subsequent financial years other than:

- Settlement of the acquisition of Mokopane Platreef project from JSE listed Thabex Exploration Ltd following receipt of approval from the South African Reserve Bank in July 2004.

Directors Meetings

The number of Directors Meetings of AIM Resources Limited held during the financial year ended 30 June, 2004 and the number of meetings attended by each Director are as follows:

Name	Directors Meetings	
	Eligible to Attend	Attended
M Flory	14	14
M Cordiner	14	14
S Reid	14	14
L Mnguni	7	7
W Kernaghan	7	7
W Barber	6	6

As well as formal Directors' meetings, executive and non-executive directors are in frequent communication by way of telephone.



DIRECTORS' REPORT

Indemnifying Officer or Auditor

The company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or related body corporate indemnified against liability incurred as an officer or an auditor including costs and expenses in successfully defending legal proceedings or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

Options

At 30 June 2004 the company had 44,525,000 (2003: 16,650,000) unlisted options on issue and the details are as follows:

Number	Exercise Price	Expiry Date
6,650,000	\$0.03	31 December 2006
11,875,000	\$0.04	30 September 2006
8,000,000	\$0.06	30 June 2006
18,000,000	\$0.10	30 June 2006

During the year, 1,625,000 (2003: Nil) fully paid ordinary shares were issued by virtue of the exercise of options. Since the end of the financial year no shares have been issued by virtue of the exercise of options.

Directors Interest

At the date of this report, interest of the directors in the shares and options of the company were:-

Director	Direct		Indirect	
	Shares	Options	Shares	Options
M. Flory	1,067,500	8,000,000	1,500,000	-
S. Reid	1,750,000	2,000,000	1,500,000	-
L. Mnguni	-	2,000,000	2,500,000	-

Directors' and Executive Officers' Emoluments

The emoluments of each Director of the parent entity and each of the five executive officers receiving the highest emoluments for the parent and economic entity are as follows:

Director	Salary/Fee \$	Superannuation \$	Amortised cost of options granted \$	Total \$
M. Flory	230,000	-	4,538	234,538
M. Cordiner	133,000	-	316	133,316
W. Barber	7,600	-	-	7,600
S. Reid	150,325	-	316	150,641
L. Mnguni	24,000	-	1,407	25,407
W. Kernaghan	40,000	-	2	40,002

There have been payments made to director related entities for services provided to the economic entity which have been included in the above amounts.



DIRECTORS' REPORT

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the directors of AIM Resources Limited support and adhered to the principles of good corporate governance. The company's corporate governance statement is on pages 19-21.

Environmental Regulation

The consolidated entity operates in a number of jurisdictions. Directors take every care to ensure that regulations are followed and a review of operations is undertaken at regular intervals.

Signed in accordance with a resolution of the Board of Directors:

M. Flory
Director
Sydney, 28 September 2004

S Reid
Director



CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of AIM Resources Limited (“the Company”) have adhered to the principles of corporate governance. A description of the main corporate governance practices, as well as any disclosures required by the Australian Stock Exchange’s “Principles of Good Corporate Governance and Best Practice Recommendations”, is set out below. Unless otherwise stated, the practices were in place for the entire year.

1. Board of Directors

The Board of Directors of the Company is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuing arrangements are in place to adequately manage those risks.

The primary responsibility of the Board include:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company’s financial statements;
- ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of Executive Directors; and
- the establishment and maintenance of appropriate ethical standards.

The responsibility for the operation and administration of the Company is carried out by two of the Directors, who operate in an executive capacity, supported by senior professional staff. The Board ensures that this team is suitably qualified and experienced to discharge their responsibilities, and assesses on an ongoing basis the performance of the management team, to ensure that management’s objectives and activities are aligned with the expectations and risks identified by the board.

The Directors of the company are as follows:

Mr Marc Flory	- Managing Director
Mr Scott Reid	- Executive Director
Mr Louis Mnguni	- Independent Non-Executive Director

For information in respect to each director refer to the directors report.

2. Independent Directors

Under ASX guidelines one of the current board is considered to be an independent director. Mr Flory and Mr Reid are executive directors and the ASX guidelines deem them not to be independent by virtue of their positions. The Board is satisfied that the structure of the Board is appropriate for the size of the company and the nature of its operations and is a cost effective structure for managing the company.



CORPORATE GOVERNANCE STATEMENT

3. Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the Company. Any director so appointed must then stand for election at the next Annual General Meeting of the Company.

4. Terms of Appointment as a Director

The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

5. Board Committees

In view of the size of the Company and the nature of its activities, the Board has considered that establishing formally constituted committees for audit, board nominations and remuneration would contribute little to its effective management. Accordingly audit matters, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

6. Remuneration

Remuneration and other terms of employment of executives, including executive directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

The terms of engagement and remuneration of executive directors is reviewed periodically by the Board, with recommendations being made by the non-executive director. Where the remuneration of a particular executive director is to be considered, the director concerned does not participate in the discussion or decision-making.

7. Conflict of Interest

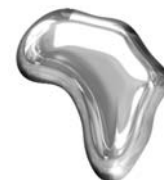
The Directors must keep the company informed, on an ongoing basis, of any interest that could potentially conflict with those of the company. Where the Board believes a significant conflict exists, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

8. Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

9. Code of Conduct

In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide executives, management and employees in carrying out their duties and responsibilities.



CORPORATE GOVERNANCE STATEMENT

10. Communication to Market & Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors and the Company. Information is communicated to shareholders and the market through:

- the Annual Report which is distributed to all shareholders;
- other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate;
- the Annual General Meeting and other meetings called to obtain approval for board action as appropriate; and
- the Company's website.

11. Share Trading

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act 2001 prohibits the purchase or sale of securities whilst a person is in possession of inside information.

12. External Auditors

The external auditor is Alcock Davis Danieli.

Full details of the company's corporate governance practices can be viewed at its website – www.aimresources.com.au



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 24 to 40, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2004 and of the performance for the year ended on that date of the company and economic entity;
2. in the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

M. Flory
Director
Sydney, 28 September 2004

S Reid
Director

INDEPENDENT AUDIT REPORT**Alcock Davis Danieli**
Chartered Accountants

Level 5, 285 George St
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215

Ph. (02) 9290 3099
Fax (02) 9262 2502
Email: add3@alcockdavisdanieli.com.au
Website: www.alcockdavisdanieli.com.au

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

AIM RESOURCES LTD

A.C.N. 009 193 980

Scope

We have audited the financial report of AIM Resources Ltd and controlled entities comprising the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements for the financial year ended 30 June 2004.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of AIM Resources Ltd and controlled entities is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at the 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- (b) other mandatory professional reporting requirements in Australia.

ALCOCK DAVIS DANIELI
Chartered Accountants

Sam Danieli
Partner

Sydney, 28 September 2004.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Chief Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Revenues from Ordinary Activities		-	18,705	-	-
Revenue from Outside the Ordinary Activities		675,270	99,732	601,633	18,655
Total Revenue	2	<u>675,270</u>	<u>118,437</u>	<u>601,633</u>	<u>18,655</u>
Expenses from ordinary activities		(2,778,930)	(696,960)	(2,852,240)	(519,917)
Loss from ordinary activities		<u>(2,103,660)</u>	<u>(578,523)</u>	<u>(2,250,607)</u>	<u>(501,262)</u>
Income Tax relating to ordinary activities		-	-	-	-
Net loss		<u>(2,103,660)</u>	<u>(578,523)</u>	<u>(2,250,607)</u>	<u>(501,262)</u>
Operating loss after income tax attributable to members of the chief entity		(2,103,660)	(578,523)	(2,250,607)	(501,262)
Accumulated losses at the beginning of the financial year		(24,709,693)	(24,131,170)	(24,562,911)	(24,061,649)
Accumulated losses at the end of the financial year		<u>(26,813,353)</u>	<u>(24,709,693)</u>	<u>(26,813,518)</u>	<u>(24,562,911)</u>
Basic earnings per share (cents per share)	18	(0.9)	(0.4)		
Diluted earnings per share (cents per share)		(0.8)	(0.4)		

(The accompanying notes form part of these financial statements.)

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2004

	Note	Economic Entity		Chief Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT ASSETS					
Cash Assets	5	9,849,891	400,863	9,803,592	390,680
Receivables	6	25,172	28,414	25,172	-
Inventories	7	-	32,240	-	-
TOTAL CURRENT ASSETS		<u>9,875,063</u>	<u>461,517</u>	<u>9,828,764</u>	<u>390,680</u>
NON-CURRENT ASSETS					
Receivables	6	17,813	17,813	64,112	148,653
Investments	8	80,250	16,275	80,251	16,276
Property, Plant and Equipment	9	34,750	13,034	34,750	13,034
TOTAL NON-CURRENT ASSETS		<u>132,813</u>	<u>47,122</u>	<u>179,113</u>	<u>177,963</u>
TOTAL ASSETS		<u>10,007,876</u>	<u>508,639</u>	<u>10,007,877</u>	<u>568,643</u>
CURRENT LIABILITIES					
Payables	10	169,376	83,422	169,542	51,644
Provisions	11	1,498	-	1,498	-
TOTAL CURRENT LIABILITIES		<u>170,874</u>	<u>83,422</u>	<u>171,040</u>	<u>51,644</u>
NON-CURRENT LIABILITIES					
Provisions	12	-	55,000	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>170,874</u>	<u>138,422</u>	<u>171,040</u>	<u>51,644</u>
NET ASSETS		<u>9,837,002</u>	<u>370,217</u>	<u>9,836,837</u>	<u>516,999</u>
EQUITY					
Contributed Equity	13	36,650,355	25,079,910	36,650,355	25,079,910
Accumulated Losses		(26,813,353)	(24,709,693)	(26,813,518)	(24,562,911)
TOTAL EQUITY		<u>9,837,002</u>	<u>370,217</u>	<u>9,836,837</u>	<u>516,999</u>

(The accompanying notes form part of these financial statements.)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Chief Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
<u>Cash Flows from Operating Activities</u>					
Receipts from customers		-	18,705	-	-
Payments to suppliers and employees		(2,246,110)	(556,705)	(2,354,568)	(477,242)
Interest Received		96,427	9,550	95,546	8,455
Interest and other costs of finance paid		-	-	-	-
Other Income		83,320	80,632	72,000	10,200
Net Cash Inflows/(Outflows) from Operating Activities	22	(2,066,363)	(447,818)	(2,187,022)	(458,587)
<u>Cash Flows from Investing Activities</u>					
Receipts from controlled entities		-	-	84,541	14,584
Payment for investments		(75,000)	(16,275)	(75,000)	(16,276)
Receipts from sale of investments		53,468	-	53,468	-
Payment for security deposits		-	(17,813)	-	(17,813)
Payments for Plant and Equipment		(33,522)	(15,078)	(33,522)	(15,078)
Net Cash Inflows/(Outflows) from Investing Activities		(55,054)	(49,166)	29,487	(34,583)
<u>Cash Flows from Financing Activities</u>					
Proceeds from Share Issues		12,501,002	859,280	12,501,002	859,280
Share Issue Costs		(930,555)	-	(930,555)	-
Net Cash Inflows/(Outflows) from Financing Activities		11,570,447	859,280	11,570,447	859,280
Net Increase (Decrease) in cash held		9,449,028	362,296	9,412,912	366,110
Cash at beginning of the year		400,863	38,567	390,680	24,570
Cash at end of the year	5	9,849,891	400,863	9,803,592	390,680

(The accompanying notes form part of these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

I. Statement of Accounting Policies

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of AIM Resources Limited and controlled entities and AIM Resources Limited as an individual parent entity. AIM Resources Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

A controlled entity is any entity controlled by AIM Resources Limited. Control exists where AIM Resources Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the entity operates with AIM Resources Limited to achieve the objectives of AIM Resources Limited. A list of controlled entities is contained in Note 17 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Foreign Currency Translation

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(c) Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

(d) Receivables and Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(f) Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

Dividends are brought to account in the statement of financial performance when received.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(g) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. During the current year all exploration and development expenditure has been written off as incurred.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership but not legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciation assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and Equipment	15-33%

(j) Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(k) Royalties and Other Production Imposts

Ad valorem and other production imposts are accrued and charged against earnings when the liability from production or sale occurs.

(l) Income Tax

Tax effect accounting procedures have not been adopted for the reason set out in Note 4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(n) Joint Venture

An interest in a joint venture operation is brought to account by including in the respective financial statement categories:

- the economic entity's share in each of the individual assets employed in the joint venture;
- liabilities incurred by the economic entity in relation to the joint venture including the economic entity's share of any liabilities for which the economic entity is joint and/or severally liable; and
- the economic entity's share of expenses of the joint venture .

(o) Impact of adopting AASB equivalent to international financial reporting standards

The Company has commenced transitioning its accounting policies and financial reporting from current Australian standards to Australian equivalents of International Financial Reporting Standards (IFRS). The Company has allocated internal resources and performed initial impact assessments to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, the Company has identified the underlying areas which may impact the Company's financial accounts.

The Board of Directors will oversee the progress of the implementation of IFRS and make necessary decisions. As the Company has a 30 June year end, priority will be given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when the Company prepares its first fully IFRS compliant financial report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of the Company. At this stage the Company has not been able to reliably quantify the impacts on the financial report.

Exploration and Evaluation Costs (ED6)

The IASB has yet to issue a standard dealing with exploration and evaluation costs. It is currently expected that a standard will not be released until late in 2004 based on the Exposure Draft ED6: 'Exploration for and Evaluation of Mineral Resources'. ED6 proposes that entities can elect to continue to recognise and measure exploration and evaluation assets in accordance with the accounting policies applied in their most recent annual financial statements. Therefore, the Company could continue to capitalise exploration and evaluation costs. However, the capitalised costs would be subject to annual impairment testing, which may impact future earnings. If the existing policy is not grandfathered, under ED 6, exploration and evaluation costs will be written off. At the transition date, in the event that no AASB equivalent has been issued, the Company may need to write off the balance of exploration expenditure to retained earnings in accordance with other applicable international standards.

Income Taxes (AASB 112)

Under the AASB 112, the Company will be required to use the balance sheet liability method which focuses on the tax effects of transactions and other events that effect amounts recognised in either the Statement of Financial Position or a tax based balance sheet. It is not expected that there will be any material impact as a result of the adoption of this standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Chief Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
2. Revenue				
<u>Operating Activities</u>				
Income from Sale of Granite	-	18,705	-	-
Interest Received	96,427	9,550	95,546	8,455
Exchange gain	368,927	-	368,927	-
Other Income	209,916	90,182	137,160	10,200
Total Revenue	<u>675,270</u>	<u>118,437</u>	<u>601,633</u>	<u>18,655</u>
3. Loss from Ordinary Activities				
Loss from ordinary activities before income tax expense includes the following specific net gains and expenses:				
(a) Expenses				
Depreciation Non Current Assets	11,806	2,415	11,806	2,415
Provision for Doubtful Debts	-	-	-	-
Provision for Staff Entitlements	1,498	(3,081)	1,498	(1,538)
Bad Debts Written Off	-	-	-	-
	<u>13,304</u>	<u>(666)</u>	<u>13,304</u>	<u>877</u>
(b) Revenue & Net Gains				
Sale of Quarry	-	79,982	-	-
	<u>-</u>	<u>79,982</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

4. Income Tax

No provision for income tax is considered necessary in respect of the controlled entity or of the company for the year ended 30 June 2004. A future income tax benefit of the economic entity of \$1,831,466 (2003: \$1,197,806) and of the chief entity \$1,465,162 (2003: \$787,465) in respect of carried forward income tax losses has not been brought into account. The benefit of these carried forward tax losses will only be obtained if the economic entity and the chief entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deduction for the loss to be realised; the economic entity and the chief entity continues to comply with the conditions for deductibility imposed by law, and no change in income tax legislation adversely affects the economic entity and the chief entity in realising the benefit from the deductions for the loss.

Since the substantive enactment of the Tax consolidation legislation the AIM Resources consolidated group has decided not to enter the tax consolidation regime for the 2004 taxation year.

5. Cash

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Economic Entity		Chief Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Cash on hand and at bank	202,642	38,203	156,343	28,020
Deposits at call	9,647,249	362,660	9,647,249	362,660
	<u>9,849,891</u>	<u>400,863</u>	<u>9,803,592</u>	<u>390,680</u>

6. Receivables

Current

Trade Debtors	-	2,258	-	-
Less Provision for Doubtful Debts	-	(2,258)	-	-
	-	-	-	-
Other Debtors	25,172	302	25,172	-
Security Deposits	-	28,112	-	-
	<u>25,172</u>	<u>28,414</u>	<u>25,172</u>	<u>-</u>

Non-Current

Loans to Controlled Entities	-	-	1,554,066	20,647,513
Less Provisions for Diminution in Value	-	-	(1,507,767)	(20,516,673)
Security Deposits	17,813	17,813	17,813	17,813
	<u>17,813</u>	<u>17,813</u>	<u>64,112</u>	<u>148,653</u>

7. Inventories

Stock on hand	-	32,240	-	-
	<u>-</u>	<u>32,240</u>	<u>-</u>	<u>-</u>

8. Investments

Listed shares at cost (i)	80,250	16,275	80,250	16,275
Shares in Subsidiary Companies at Cost	-	-	40,001	40,004
Provision for Diminution in Value of Shares	-	-	(40,000)	(40,003)
	<u>80,250</u>	<u>16,275</u>	<u>80,251</u>	<u>16,276</u>

(i) * This investment represents 5,500,000 shares in the issued capital of Discovery Nickel Limited which is listed on the Australian Stock Exchange. The market value of the listed shares at 30 June 2004 was \$907,500 (2003: \$1)

* This investment represents 1,500,000 (2003:4,650,000) shares in the issued capital of 3D Global Limited, which is listed on the Australian Stock Exchange. The market value of the listed shares at 30 June 2004 was \$5,250 (2003: \$22,500).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Chief Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
9. Property, Plant and Equipment				
Plant and Equipment	48,600	36,661	48,600	36,661
Less Accumulated Depreciation	(13,850)	(23,627)	(13,850)	(23,627)
	<u>34,750</u>	<u>13,034</u>	<u>34,750</u>	<u>13,034</u>
a) Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.				
Plant and equipment – at cost:				
Balance at the beginning of year	13,034	370	13,034	370
Additions	33,522	15,078	33,522	15,078
Disposals	-	-	-	-
Depreciation	(11,806)	(2,414)	(11,806)	(2,414)
Carrying amount at the end of year	<u>34,750</u>	<u>13,034</u>	<u>34,750</u>	<u>13,034</u>
10. Payables				
Trade Creditors	84,503	83,422	84,669	51,644
Accrued Expenses	84,873	-	84,873	-
	<u>169,376</u>	<u>83,422</u>	<u>169,542</u>	<u>51,644</u>
11. Current Liabilities – Provisions				
Employee Entitlements	1,498	-	1,498	-
	<u>1,498</u>	<u>-</u>	<u>1,498</u>	<u>-</u>
12. Non-Current Liabilities Provisions				
Provisions for Environmental Rehabilitation	-	55,000	-	-
	<u>-</u>	<u>55,000</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

13. Contributed Equity

Issued Capital

400,810,214 (2003: 171,685,214)

fully paid shares

36,650,355	25,079,910	36,650,355	25,079,910
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Movements during the year

	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	171,685,214	25,079,910	121,066,548	24,220,630
Issued at 1.5 cents each	-	-	30,618,666	459,280
Issued at 2.0 cents each	15,000,000	300,000	20,000,000	400,000
Issued at 3.2 cents each	28,000,000	896,000	-	-
Issued at 3.5 cents each	12,000,000	420,000	-	-
Issued at 6.0 cents each	78,500,000	4,710,000	-	-
Issued at 6.5 cents each	94,000,000	6,110,000	-	-
Conversion of options at 4 cents each	1,625,000	65,000	-	-
Less share issue costs	-	(930,555)	-	-
End of the financial year	400,810,214	36,650,355	171,685,214	25,079,910

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Options

At 30 June 2004 there are 44,525,000 (2003: 16,650,000) unissued shares in respect of which options were outstanding and the details of them are as follows:

Number	Exercise Price	Expiry Date
6,650,000	\$0.03	31 December 2006
11,875,000	\$0.04	30 September 2006
8,000,000	\$0.06	30 June 2006
18,000,000	\$0.10	30 June 2006

Economic Entity		Chief Entity	
2004	2003	2004	2003
\$	\$	\$	\$

14. Auditors Remuneration

Remuneration of the auditor of the parent entity for:

- auditing or reviewing the financial report

- other services

25,295	14,106	25,295	14,106
-	-	-	-
25,295	14,106	25,295	14,106

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

15. Directors' and Executive Remuneration

(a) Details of Specified Directors and Executives

Name	Appointed	Resigned
M Flory	8.7.2003	-
S Reid	16.5.2002	-
L Mnguni	18.11.2003	-
M Cordiner	16.5.2002	28.09.2004
W Barber	16.5.2002	18.11.2003
W Kernaghan	8.7.2003	1.12.2003

(b) Remuneration of Specified Directors and Executives

Details of remuneration provided to directors who include the most highly remunerated executives are as follows:

Specified Director & Executives	Primary Salary/Fee \$	Other Benefits \$	Superannuation \$	Equity Amortised Cost of Option Granted \$	Total \$
M Flory					
2004	230,000	-	-	4,538	234,538
2003	-	-	-	-	-
M Cordiner					
2004	133,000	-	-	316	133,316
2003	129,304	6,000	10,032	-	145,336
S Reid					
2004	150,325	-	-	316	150,641
2003	34,000	-	-	-	34,000
L Mnguni					
2004	24,000	-	-	1,407	25,407
2003	-	-	-	-	-
W Barber					
2004	7,600	-	-	-	7,600
2003	20,400	-	-	-	20,400
W Kernaghan					
2004	40,000	-	-	2	40,002
2003	-	-	-	-	-
Total Remuneration					
2004	584,925	-	-	6,579	598,083
2003	183,704	6,000	10,032	-	199,736

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

(c) Remuneration Options

Options granted as remuneration:

Company Director	Granted No.	Granted Date	Value Per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
M Flory	2,000,000	1.12.2003	0.00070	0.06	1.12.2003	30.6.2006
	6,000,000	26.5.2004	0.01759	0.10	26.5.2004	30.6.2006
M Cordiner	2,000,000	1.12.2003	0.00070	0.06	1.12.2003	30.6.2006
S Reid	2,000,000	1.12.2003	0.00070	0.06	1.12.2003	30.6.2006
L Mnguni	2,000,000	26.5.2004	0.01759	0.10	26.5.2004	30.6.2006
W Kernaghan	2,000,000	1.12.2003	0.00070	0.06	1.12.2003	30.6.2006

Each option may be exercised at any time prior to 5:00pm on the option expiry date and any option not so exercised shall automatically expire on the option expiry date.

(d) Option and Rights Holdings

Number of options held by specified directors and executives:

Company Director	Balance 1.7.2003	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2004	Total Vested 30.6.2004
M Flory*	-	8,000,000	-	-	8,000,000	8,000,000
M Cordiner	1,250,000	2,000,000	-	-	3,250,000	2,000,000
S Reid	500,000	2,000,000	-	(500,000)	2,000,000	2,000,000
L Mnguni*	-	2,000,000	-	-	2,000,000	2,000,000
W Barber#	-	-	-	-	-	-
W Kernaghan*#	-	2,000,000	-	(2,000,000)	-	-

* appointed as a director during the year

resigned as a director during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

(e) Shareholdings

Number of shares held by specified directors and executives :

Company Director	Balance 1.7.2003	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2004
M Flory*	-	-	-	2,567,000	2,567,500
M Cordiner	2,500,000	-	-	-	2,500,000
S Reid	700,000	-	-	2,550,000	3,250,000
L Mnguni*	-	-	-	2,500,000	2,500,000
W Barber#	1,310,000	-	-	(1,310,000)	-
W Kernaghan*#	-	-	-	-	-

* appointed as a director during the year

resigned as a director during the year

(f) Remuneration Practices

The company's policy for determining the nature and amount of emolument of board members and senior executives of the company is:

The remuneration for executive officers, including executive directors is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and specified directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, specified directors and executives are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination lapse.

16. Related Party Transactions

(a) Payments to Director Related Companies

During the financial year there have been transactions between AIM Resources Limited, and its wholly owned controlled entities which have been eliminated for consolidation purposes. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(b) Transactions with wholly owned Controlled Entities

Interest free loans have been provided by the company to its wholly owned controlled entities \$46,299 (2003: \$19,328,993).

(c) Transactions with the Partly Owned Controlled Entities

Interest free loans have been provided by the company to its partly owned controlled entity of \$Nil (2003: \$1,318,520).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

17. Economic Entity Accounts include a Consolidation of the Following Companies:

	Contribution to Consolidated Operating Loss		Details of Investment Shares Cost of Parents Investment in Subsidiary	
	2004	2003	2004	2003
	\$	\$	\$	\$
AIM Resources Ltd	(1,969,628)	(501,261)		
Maritana Mining Pty Ltd	-	-		1
Mungari Quarries Pty Ltd	70,508	(45,516)	40,000	40,000
Stones of Australia Pty Ltd	-	(791)	-	2
Lonsdale Exploration Pty Ltd	-	-	-	-
Discovery Nickel Limited	-	(30,955)	-	1
African Platinum Pty Ltd	(204,540)	-	1	-
	<u>(2,103,660)</u>	<u>(578,523)</u>	<u>40,001</u>	<u>40,004</u>

Company	Place of Incorporation	Class of Shares	Equity Holding	
			2004	2003
Maritana Mining N.L. *	Australia	Ordinary	-	100%
Mungari Quarries Pty Ltd	Australia	Ordinary	100%	100%
Stones of Australia Pty Ltd *	Australia	Ordinary	-	100%
Lonsdale Exploration Pty Ltd *	Australia	Ordinary	-	100%
Discovery Nickel Limited	Australia	Ordinary	14%	100%
African Platinum Pty Ltd	Australia	Ordinary	100%	-

* These companies were deregistered during the year

Economic Entity

2004	2003
------	------

18. Earnings Per Share

(a) Net loss		
Net loss used in the calculation of basic earnings per share	<u>(2,103,660)</u>	<u>(578,523)</u>
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	<u>230,946,484</u>	<u>140,284,770</u>
Weighted average number of options outstanding	<u>25,239,822</u>	<u>14,983,333</u>
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	<u>256,186,306</u>	<u>155,268,103</u>

19. Commitments

The consolidated entity has certain obligation to perform minimum exploration work and expend minimum amount of money on mineral exploration tenements. The consolidated entity has committed to expend a minimum of \$Nil (2003: \$185,300) over the next year to keep its current tenements in good standing.

20. Joint Venture

The consolidated entity has an interest in the following unincorporated joint venture:

	Principal Activity	Other Participant
Mumbwa (a)	Exploration	BHP-Billiton

(a) AIM Resources Limited are earning a 70% interest in the copper-gold project by spending US\$3m over 4 years.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and any outputs and do not, in themselves, generate revenue and profit. The net contribution of any joint venture activities to the operating profit before income tax is \$Nil (2003:Nil). The economic entity's assets employed in the joint ventures, are included in the balance sheet of the economic entity as follows:

	Economic Entity		Chief Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Exploration Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

21. Additional Financial Instruments Disclosure

The economic exposure to interest rate risk and the effective weighted interest for classes of financial assets and financial liabilities are set out below:

2004	Note	Floating Interest rate \$	One Year or less \$	Over One to 5 Years \$	Non Interest Bearing \$	Total \$
Financial Assets						
Cash	5	9,849,891	-	-	-	9,849,891
Receivables	6	-	-	-	25,172	25,172
Investments	8	-	-	-	80,250	80,250
		<u>9,849,891</u>	<u>-</u>	<u>-</u>	<u>105,422</u>	<u>9,955,313</u>
Weighted Average Interest Rate		5%				
Financial Liabilities						
Accounts Payable	10	-	-	-	169,376	169,376
		<u>-</u>	<u>-</u>	<u>-</u>	<u>169,376</u>	<u>169,376</u>
Weighted average interest rate		-				

2003	Note	Floating Interest rate \$	One Year or less \$	Over One to 5 Years \$	Non Interest Bearing \$	Total \$
Financial Assets						
Cash	5	400,863	-	-	-	400,863
Receivables	6	-	-	-	28,414	28,414
		<u>400,863</u>	<u>-</u>	<u>-</u>	<u>28,414</u>	<u>429,277</u>
Weighted Average Interest Rate		3%				
Financial Liabilities						
Accounts Payable	10	-	-	-	83,422	83,422
		<u>-</u>	<u>-</u>	<u>-</u>	<u>83,422</u>	<u>83,422</u>
Weighted average interest rate		-				

Net fair values of financial assets and liabilities / valuation approach

Monetary financial assets and financial liabilities are determined by the economic entity on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers.

Cash flows are discounted using standard valuation techniques at the application market yield having regard to the timing of the cash flows.

The carrying amounts of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

The net fair value of investments in listed shares in other corporations is determined by reference to the market value if the respective corporations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:

	Economic Entity		Chief Entity	
	2004 Carrying Amount	2003 Carrying Amount \$	2004 Carrying Amount	2003 Carrying Amount \$
Financial Assets				
Cash	9,849,891	400,863	9,803,592	390,680
Receivables	25,172	28,414	25,172	-
Investments	912,750	22,500	912,750	22,500
Financial Liabilities				
Accounts Payable	169,376	83,422	169,542	51,644

22. Cash Flow Information

	Economic Entity		Chief Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
Loss from ordinary activities after income tax	(2,103,660)	(578,523)	(2,250,607)	(501,262)
Non Cash Flows in loss from ordinary activities:				
Depreciation	11,806	2,415	11,806	2,415
(Profit) on sale of investment	(42,443)	-	(42,443)	-
Changes in assets and liabilities:				
Accounts Receivable	3,242	8,921	(25,172)	-
Trade Creditors and Accruals	85,954	52,531	117,898	41,799
Inventories	32,240	69,920	-	-
Other Provisions	(53,502)	(3,082)	1,498	(1,538)
Operating Cashflow	<u>(2,066,363)</u>	<u>(447,818)</u>	<u>(2,187,022)</u>	<u>(458,587)</u>

23. Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the parent entity, to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the subsequent financial years other than:—

- Settlement of the acquisition of Mokopane Platreef project from JSE listed Thabex Exploration Ltd following receipt of approval from the South African Reserve Bank in July 2004.

24. Segment Information

The economic entity operates in one business segment being the mining industry and in two geographical locations, namely Australia and Africa.

	Revenue External \$	Segment Result \$	Segment Assets \$
Geographical Segments — 30 June 2004			
Australia	306,343	(990,122)	5,431,065
Africa	368,927	(1,113,538)	4,576,811
	<u>675,270</u>	<u>(2,103,660)</u>	<u>10,007,876</u>
Geographical Segments — 30 June 2003			
Australia	108,887	(578,523)	508,639
Africa	-	-	-

AUSTRALIAN STOCK EXCHANGE INFORMATION

Shareholdings

- (a) Analysis of holdings as at 17 September 2004. Ordinary Shares

1-1,000	208
1,001-5,000	262
5,001-10,000	260
10,001-100,000	1,139
100,001 and over	590
	<u>2,459</u>

Less than marketable parcels 748

- (b) Substantial shareholders – The substantial shareholders in the company at 17 September 2004 are:

Ordinary Shares	Number held	Percentage
McNeil Nominees Pty Ltd	26,155,000	6.53%

- (c) Voting rights – no restrictions. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote.
- (d) The names of the twenty largest shareholders of ordinary shares as at 17 September 2004.

	Number of Shares	% of Total
McNeil Nominees Pty Ltd	26,155,000	6.53
G Harvey Investments Pty Ltd	10,000,000	2.49
Elinora Investments Pty Ltd	9,000,000	2.25
QC Maurice James Neil	7,500,000	1.87
BB Nominees Pty Ltd	7,212,831	1.80
Management Vagg Investments Pty Ltd	5,500,000	1.37
Rapla Holdings Pty Ltd	5,000,000	1.25
Mackay Anthony	5,000,000	1.25
J P Morgan Nominees Australia	4,681,377	1.17
Reef Securities Ltd	4,500,000	1.12
Uob Kay Hian Pte Ltd	4,076,000	1.02
Spantech Consultancy Pty Ltd	4,000,000	1.00
Fortis Clearing Nominees Ltd	3,770,666	.94
Matchett, Shane A	3,750,672	.94
Resource Asia Ltd	3,685,332	.92
ANZ Nominees Ltd	3,500,066	.87
Hunter Benjamin Stephen	3,227,000	.81
WJK Investments Pty Ltd	3,000,000	.75
Oeij Giang Nio	3,000,000	.75
Katz Neville Joel	2,896,966	.72
	<u>119,455,910</u>	<u>29.82</u>

- (e) The interests of each director and/or associate are listed in the Directors Report.

- (f) i) The name of the Company Secretary is Wayne Kernaghan
- ii) The address of the registered office in Australia is:
Level 5, 123 Pitt Street, Sydney NSW 2000
Telephone (02) 9222 9444
Facsimile (02) 9222 9477
- iii) AIM Resources Limited is listed on the Australian Stock Exchange.
ASX Code: AIM
- iv) Share Registry is located at Security Transfer Registrars Pty Limited, 770 Canning Highway, Applecross WA 6153.
Telephone (08) 9315 2333
Facsimile (08) 9315 2233



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