



A.B.N. 63 009 193 980

FINANCIAL REPORT

2006

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 responsibilities 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
Mr Chris Innis	- Independent Non-Executive Director

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

2. Independent Directors

Under ASX guidelines two 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.

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.

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' 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 2006.

Directors

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

Appointed

M Flory	8.7.2003
S Reid	16.5.2002
L Mnguni	18.11.2003
C Innis	16.5.2005

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Current Directors

Marc Flory BSc, BEconomics, BComm (Hons Mineral Economics), FAICD - 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.

During the past three years Mr Flory has held the following listed company directorships:

- Admiralty Resources from 15 March 2003 to 16 June 2003

Scott Reid BSc, Grad Dip Sci (Geophys), MAIG, FFin, MAICD

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

During the past three years Mr Reid has held the following listed company directorships:

- Gulf Resources Limited from 30 June 2005
- Discovery Nickel Limited from 30 May 2003 to 31 July 2006
- Andean Resources Limited from 12 December 2003 to 26 April 2005

Louis Mnguni BA (Sociology and Hons Philosophy), MPhil (Politics), - 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.

Chris Innis BA, LLB – Non-Executive Director

Mr Innis is the past Chairman of Mining Communications, a UK based media house specialising in the Resources sector. He is a qualified lawyer with extensive experience in finance and media.

Mr Innis commenced his career in Law in Australia. His career soon shifted to a media focus after positions with Wardley Australia and Hambros in both Australia and the United Kingdom. In 1994 Chris joined Emap Plc, a diversified media company with operations in consumer magazines, trade magazines and exhibitions, radio broadcasting music television and the Internet in the United States, the United Kingdom, France, South East Asia and Australia.

Company Secretary

Wayne Kernaghan BBus, ACA, FAICD, ACIS

Wayne Kernaghan is a member of the Institute of Chartered Accountants in Australia with a number of years experience in various areas of the mining and finance industry. He is also a Fellow of the Australian institute of Company Directors and a member of the Institute of Chartered Secretaries. He was appointed company secretary on 16 May 2002.

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 \$6,692,106 (2005: a loss of \$3,956,381).

Financial Position

The net assets of the economic entity have increased by \$3,953,213 from \$10,987,447 in 2005 to \$14,940,660 in 2006. This increase has resulted mainly from the share issues made during the year and the revaluation of financial assets to fair value.

The directors believe the group is sufficiently funded to achieve its objectives.

Dividends Paid or Recommended

During the year no dividends were paid. No dividend is proposed for the current year.

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.

After Balance Date 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:

- The Company has issued 1,500,000 shares on the exercise of 1,500,000 options exercisable at 4 cents each expiring on 30 September 2006 which has raised \$60,000.

Future Developments, Prospects and Business Strategies

Other than as referred to in this report, further information as to likely developments in the operations of the economic entity and the expected results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the consolidated entity.

Directors Meetings

The number of Directors Meetings of AIM Resources Limited held during the financial year ended 30 June, 2005 and the number of meetings attended by each Director are as follows:

Name	Directors Meetings	
	Eligible to Attend	Attended
M Flory	21	21
S Reid	21	21
L Mnguni	21	21
C Innis	21	21

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

Options

At 30 June 2006 the company had 23,000,000 (2005: 54,525,000) unlisted options on issue and the details are as follows:

Number	Exercise Price	Expiry Date
3,000,000	\$0.04	30 September 2006
10,000,000	\$0.055	3 May 2007
10,000,000	\$0.052	7 September 2010

During the year 41,525,000 (2005: Nil) fully paid ordinary shares were issued by virtue of the exercise of options. Since the end of the financial year 2,000,000 (2005: Nil) shares have been issued by virtue of the exercise of options.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those Standards. No adjustments arose on the transition to AIFRS.

Remuneration Report

This report details the nature and amount of remuneration for each director of AIM Resources Limited.

Remuneration Policy

The remuneration policy of AIM Resources Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of AIM Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company as well as create goal congruence between directors and shareholders.

The board's policy for determining the nature and amount of remuneration for board members is as follows:

The remuneration policy, setting the terms and conditions for the executive director was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and incentives. The board reviews executive packages annually by reference to the company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the company. However, to align directors' interest with shareholder interests, the directors are encouraged to hold shares in the company.

Directors' and Executive Officers' Emoluments

The remuneration for each Director of the parent entity and economic entity for the year are as follows:

Director	Primary Salary/Fee \$	Bonus \$	Post Employment Superannuation \$	Equity Amortised Cost of Options Granted \$	Total \$
M Flory	405,766	200,000	810	-	606,576
S Reid	327,000	175,000	810	-	502,810
L Mnguni	79,946	-	-	-	79,946
C Innis	49,106	-	-	-	49,106

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

The consolidated entity does not have specific executives as the executive role is performed by the specified directors.

Options Granted as Part of Remuneration for the year Ended 30 June 2006

There were no options granted as part of director and executive remuneration during the year.

Directors Interests in Shares and Options

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

Director	Direct			Indirect		
	Shares	Options	Performance Rights	Shares	Options	Performance Rights
M Flory	5,900,000	5,266,875	4,000,000	-	-	-
S Reid	2,250,000	5,500,000	4,000,000	-	-	-
L Mnguni	-	-	-	-	-	-
C Innis	1,600,000	-	-	-	-	-

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 15 to 17.

Environmental Issues

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.

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.

Auditors Independence

The lead auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on page 13 of the directors' report.

Non-audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided to not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2006:

\$

Nil

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

S Reid
Director
Sydney, 29 September 2006



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@addca.com.au
Website: www.addca.com.au

ABN 27 056 471 099

AIM RESOURCES LIMITED A.B.N. 84 229 458

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AIM RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- i. no contraventions of the auditor independence requirement as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Alcock Davis Danieli
Chartered Accountants

Sam Danieli
Partner

SYDNEY, 29 September 2006



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@addca.com.au
Website: www.addca.com.au

ABN 27 056 471 099

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF
AIM RESOURCES LIMITED
A.B.N. 84 229 458

Scope

We have audited the financial report of AIM Resources Limited for the financial year ended 30 June 2006 as set out on pages 9 to 28.

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 financial position, and performance as represented by the results of its operations and its cash flows.

The names of the controlled entities of which we have not acted as auditors are set out in Note 17 to the financial statements.

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

Independence

In conducting our audit we followed applicable independence requirements of Australian Professional and Ethical Pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 7 of the financial report has not changed at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of AIM Resources Limited is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's financial position as at the 30 June 2006 and of its 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, 29 September 2006

Liability limited by a scheme approved under Professional Standard Legislation



DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) The financial statements and notes, as set out on pages 10 to 28, are in accordance with the Corporations Act 2001:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the company and economic entity;
- (b) The Parent Executive Officer and Parent Finance Officer have each declared that:
 - (i) the financial records for the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view.
- (c) 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.

S Reid
Director
Sydney, 29 September 2006

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue from continuing activities	3	393,682	281,310	377,909	281,288
Total revenue		<u>393,682</u>	<u>281,310</u>	<u>377,909</u>	<u>281,288</u>
Employee benefits expense		(1,299,739)	(975,690)	(1,299,739)	(975,690)
Depreciation expense		(50,929)	(21,636)	(50,929)	(21,636)
Exploration expenditure written off		(926,857)	(1,337,264)	(926,857)	(1,337,264)
Other expenses from continuing activities	4	(4,808,263)	(1,903,103)	(3,784,972)	(1,857,436)
Loss from continuing activities before income tax		<u>(6,692,106)</u>	<u>(3,956,383)</u>	<u>(5,684,588)</u>	<u>(3,910,738)</u>
Income tax expense	5	-	-	-	-
Loss for the year		<u>(6,692,106)</u>	<u>(3,956,383)</u>	<u>(5,684,588)</u>	<u>(3,910,738)</u>
Loss attributable to members of the parent entity		<u>(6,692,106)</u>	<u>(3,956,383)</u>	<u>(5,684,588)</u>	<u>(3,910,738)</u>
Basic earnings per share (cents per share)	18	(1.24)	(0.9)		
Diluted earnings per share (cents per share)		(1.19)	(0.8)		

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

BALANCE SHEET
AS AT 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	8,097,989	4,935,178	8,091,674	4,932,058
Trade and other receivables	7	130,852	12,772	119,710	7,591
TOTAL CURRENT ASSETS		<u>8,228,841</u>	<u>4,947,950</u>	<u>8,211,384</u>	<u>4,939,649</u>
NON-CURRENT ASSETS					
Trade and other receivables	7	76,656	17,813	1,277,853	201,271
Financial Assets	8	1,050,700	75,000	6,936,964	5,961,264
Property, plant and equipment	9	131,589	141,293	87,299	116,878
Deferred exploration costs	10	5,995,940	6,452,886	-	457,322
TOTAL NON-CURRENT ASSETS		<u>7,254,885</u>	<u>6,686,992</u>	<u>8,302,116</u>	<u>6,736,735</u>
TOTAL ASSETS		<u>15,483,726</u>	<u>11,634,942</u>	<u>16,513,500</u>	<u>11,676,384</u>
CURRENT LIABILITIES					
Trade and other payables	11	539,816	644,995	516,594	640,957
Provisions	12	3,250	2,500	3,250	2,500
TOTAL CURRENT LIABILITIES		<u>543,066</u>	<u>647,495</u>	<u>519,844</u>	<u>643,457</u>
TOTAL LIABILITIES		<u>543,066</u>	<u>647,495</u>	<u>519,844</u>	<u>643,457</u>
NET ASSETS		<u>14,940,660</u>	<u>10,987,447</u>	<u>15,993,656</u>	<u>11,032,927</u>
EQUITY					
Issued capital	13	51,431,750	41,757,183	51,431,750	41,757,183
Reserves		970,750	-	970,750	-
Accumulated losses		(37,461,840)	(30,769,736)	(36,408,844)	(30,724,256)
TOTAL EQUITY		<u>14,940,660</u>	<u>10,987,447</u>	<u>15,993,656</u>	<u>11,032,927</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

Economic Entity	Issued Capital \$	Accumulated Losses \$	Financial Asset Reserve \$	Total Equity \$
Balance at 1 July 2004	36,650,355	(26,813,353)		9,837,002
Issue of share capital	5,106,828	-		5,106,828
Loss attributable to members of parent entity	-	(3,956,383)		(3,956,383)
Balance at 30 June 2005	41,757,183	(30,769,736)		10,987,447
Adjustment on application of AASB 139 for Fair value on shares in listed entities			970,750	970,750
Issue of share capital	6,038,000	-		6,038,000
Exercise of options	2,359,520	-		2,359,520
Issue of options	1,277,047	-		1,277,047
Loss attributable to members of parent entity	-	(6,692,104)		(6,692,104)
Balance at 30 June 2006	51,431,750	(37,461,840)	970,750	14,940,660

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

Parent Entity	Issued Capital \$	Accumulated Losses \$	Financial Asset Reserve \$	Total Equity \$
Balance at 1 July 2004	36,650,355	(26,813,518)		9,836,837
Issue of share capital	5,106,828	-		5,106,828
Loss attributable to members of parent entity	-	(3,910,738)		(3,910,738)
Balance at 30 June 2005	41,757,183	(30,724,256)		11,032,927
Adjustment on application of AASB 139 for fair value on shares in listed entities			970,750	970,750
Issue of share capital	6,038,000	-		6,038,000
Exercise of options	2,359,520	-		2,359,520
Issue of options	1,277,047	-		1,277,047
Loss attributable to members of parent entity	-	(5,684,588)		(5,684,588)
Balance at 30 June 2006	51,431,750	(36,408,844)	970,750	15,993,656

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
<u>Cash flows from Operating Activities</u>					
Receipts from customers		-	-	-	-
Payments to suppliers and employees		(6,859,263)	(3,733,695)	(5,789,978)	(3,692,238)
Interest received		284,435	242,442	284,435	242,427
Interest and other costs of finance paid		-	-	-	-
Other Income		109,247	50,777	93,474	55,958
Net Cash provided by/(used in)					
Operating Activities	21	<u>(6,465,581)</u>	<u>(3,440,476)</u>	<u>(5,412,069)</u>	<u>(3,393,853)</u>
<u>Cash flows from Investing Activities</u>					
Receipts/(payments) from controlled entities		-	-	(1,076,582)	(137,159)
Payment for investments		(4,950)	-	(4,950)	(5,886,264)
Receipts from sale of investments		-	-	-	-
Payment for exploration expenditure		-	(6,452,886)	-	(457,322)
Payments for plant and equipment		(41,225)	(128,179)	(21,350)	(103,764)
Net Cash provided by/(used in)					
Investing Activities		<u>(46,175)</u>	<u>(6,581,065)</u>	<u>(1,102,882)</u>	<u>(6,584,509)</u>
<u>Cash flows from Financing Activities</u>					
Proceeds from share issues		9,959,567	5,460,517	9,959,567	5,460,517
Share issue costs		(285,000)	(353,689)	(285,000)	(353,689)
Net Cash provided by/(used in)					
Financing Activities		<u>9,674,567</u>	<u>5,106,828</u>	<u>9,674,567</u>	<u>5,106,828</u>
Net increase (decrease) in cash held		3,162,811	(4,914,713)	3,159,616	(4,871,534)
Cash and cash equivalents at beginning of the year		4,935,178	9,849,891	4,932,058	9,803,592
Cash and cash equivalents at end of the year	6	<u>8,097,989</u>	<u>4,935,178</u>	<u>8,091,674</u>	<u>4,932,058</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1. Statement of Significant 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 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.

Basis of Preparation

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

In accordance with the requirements of AASB 1: First time Adoption of Australian Equivalents to International Financial Reporting Standards (AASB 1), adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemption available under AASB1 have been applied.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement. The Company has adopted the exemption under AASB 1 from having to apply AASB 132 and AASB 139 to the comparative period.

There were no adjustments required on the transition to AIFRS.

Reporting Basis and Conventions

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.

(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.

All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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.

A list of controlled entities is contained in Note 17 to the financial statements.

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated in functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(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).

(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) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available –for- Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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.

(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.

(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 and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 plant and equipment, 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.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	15-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

(k) Royalties and Other Production Imposts

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

(l) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(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 balance sheet are shown inclusive of GST.

(n) Interest in Joint Ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated income statement and balance sheet.

The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

(o) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Impact of adoption of AIFRS

There are no material differences between losses, total equity and cashflow statements presented under AIFRS and those presented under AGAAP.

AASB 1 Transitional exemptions

The Group has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Share-based payment transactions

AASB 2 'Share-Based Payments' is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
3. Revenue				
Interest received	284,435	242,442	284,435	242,427
Exchange gain	76,091	484	60,318	484
Other income	33,156	38,384	33,156	38,377
Total revenue	<u>393,682</u>	<u>281,310</u>	<u>377,909</u>	<u>281,288</u>
4. Loss for the Year				
Loss from continuing activities before income tax expense includes the following specific expenses:				
Depreciation non current assets	50,929	21,636	50,929	21,636
Provision for staff entitlements	750	1,765	750	1,765
Exchange loss	-	2,776	-	-
	<u>51,679</u>	<u>26,177</u>	<u>51,679</u>	<u>23,401</u>

5. Income Tax

Potential future income tax benefits of \$4,516,342 (2005: \$2,594,128) and of the parent entity \$4,214,087 (2005: \$2,508,711) are attributable to Australian tax losses carried forward by the company and future benefits to exploration expenditure and other timing differences allowable for deduction have not been brought to account in the consolidated accounts at 30 June 2006 because the Directors do not believe it is appropriate to regard full realisation of the future income tax benefits as probable. These benefits will only be obtained if:

- The company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised; and
- The company continues to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect the company in realising the benefit from the deduction of the losses.

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.

6. Cash and Cash Equivalents

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

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Cash on hand and at bank	1,479,609	1,459,190	1,473,294	1,456,070
Deposits at call	6,618,380	3,475,988	6,618,380	3,475,988
	<u>8,097,989</u>	<u>4,935,178</u>	<u>8,091,674</u>	<u>4,932,058</u>

7. Trade and Other Receivables

Current

Other debtors	130,852	12,772	119,710	7,591
	<u>130,852</u>	<u>12,772</u>	<u>119,710</u>	<u>7,591</u>

Non-Current

Loans to controlled entities	-	-	1,498,585	422,003
Less provisions for diminution in value	-	-	(238,545)	(238,545)
Security deposits	76,656	17,813	17,813	17,813
	<u>76,656</u>	<u>17,813</u>	<u>1,277,853</u>	<u>201,271</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

8. Other Financial Assets

Available for sale financial assets comprise:

Listed investments, at fair value

- Shares in listed corporations 1,050,700 75,000 1,050,700 75,000

Unlisted investments, at cost

- Shares in controlled entities - - 5,886,264 5,886,264

1,050,700 75,000 6,936,964 5,961,264

Available-for-sale financial assets comprise investments in the ordinary capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured. As a result, all unlisted investments are reflected at cost.

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
9. Property, Plant and Equipment				
Plant and equipment	218,004	176,779	173,714	152,364
Less accumulated depreciation	(86,415)	(35,486)	(86,415)	(35,486)
	<u>131,589</u>	<u>141,293</u>	<u>87,299</u>	<u>116,878</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	141,293	34,750	116,878	34,750
Additions	41,225	128,179	21,350	103,764
Disposals	-	-	-	-
Depreciation	(50,929)	(21,636)	(50,929)	(21,636)
Carrying amount at the end of year	<u>131,589</u>	<u>141,293</u>	<u>87,299</u>	<u>116,878</u>

10. Deferred Exploration Costs

Cost carried forward in respect of areas of interest in the exploration and evaluation phase

Opening balance	6,452,886	-	457,332	-
Expenditure incurred during the year	469,525	7,790,150	469,525	1,794,586
	6,922,411	7,790,150	926,857	1,794,586
Less expenditure written off during the year	(926,471)	(1,337,264)	(926,857)	(1,337,264)
Closing balance	<u>5,995,940</u>	<u>6,452,886</u>	<u>-</u>	<u>457,322</u>

11. Trade and Other Payables

Trade creditors	517,876	643,200	499,554	639,162
Accrued expenses	21,940	1,795	17,040	1,795
	<u>539,816</u>	<u>644,995</u>	<u>516,594</u>	<u>640,957</u>

12. Provisions

Current:

Employee entitlements	3,250	2,500	3,250	2,500
	<u>3,250</u>	<u>2,500</u>	<u>3,250</u>	<u>2,500</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

13. Issued Capital

Issued capital				
615,214,031 (2005: 510,818,831)				
fully paid shares	51,431,750	41,757,183	51,431,750	41,757,183

The company has authorised share capital amounting to 615,214,031 ordinary shares of no par value.

Movements during the year	2006 Number of Shares	2006 \$	2005 Number of Shares	2005 \$
Beginning of the financial year	510,818,831	41,757,183	400,810,214	36,650,355
Issued at 4.8 cents each	-	-	72,500,000	3,480,000
Issued at 5.0 cents each	1,750,000	87,500	-	-
Issued at 5.0 cents each	-	-	27,000,000	1,350,000
Issued at 5.2 cents each	1,070,000	55,640	-	-
Issued at 6.0 cents each	8,000,000	480,000	-	-
Issued at 6.0 cents each	-	-	10,508,617	630,517
Issued at 6.5 cents each	-	-	-	-
Issued at 9.5 cents each	60,000,000	5,700,000	-	-
Conversion of options at 3 cents each	6,650,000	199,500	-	-
Conversion of options at 4 cents each	8,875,000	355,000	-	-
Conversion of options at 10 cents each	18,050,200	1,805,020	-	-
Issue of options	-	1,277,047	-	-
Less share issue costs	-	(285,140)	-	(353,689)
End of the financial year	<u>615,214,031</u>	<u>51,431,750</u>	<u>510,818,831</u>	<u>41,757,183</u>

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 2006 there are 23,000,000 (2005: 54,525,000) unissued shares in respect of which options were outstanding and the details of them are as follows:

Number	Exercise Price	Expiry Date
3,000,000	\$0.04	30 September 2006
10,000,000	\$0.055	3 May 2007
10,000,000	\$0.052	7 September 2010

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
14. Auditors Remuneration				
Remuneration of the auditor of the parent entity for:				
– auditing or reviewing the financial report	41,639	24,435	41,639	24,435
– other services	-	5,780	-	5,780
	<u>41,639</u>	<u>30,215</u>	<u>41,639</u>	<u>30,215</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

15. Key Management Personnel Compensation

(a) Details of Key Management Personnel

Name	Appointed	Resigned
M Flory	8.7.2003	-
S Reid	16.5.2002	-
L Mnguni	18.11.2003	-
C Innis	16.5.2005	-
M Cordiner	16.5.2002	28.9.2004

(b) Remuneration of Key Management Personnel

Specified Director & Executives	Primary Salary/Fee \$	Bonus \$	Superannuation \$	Equity Amortised Cost of Option Granted \$	Total \$
M Flory					
2006	405,766	200,000	810	-	606,576
2005	308,034	100,000	-	69,950	477,984
S Reid					
2006	327,000	175,000	810	-	502,810
2005	224,000	100,000	-	69,950	393,950
L Mnguni					
2006	79,946	-	-	-	79,946
2005	64,061	-	-	-	64,061
C Innis					
2006	49,106	-	-	-	49,106
2005	6,000	-	-	-	6,000
M Cordiner					
2006	-	-	-	-	-
2005	24,000	-	-	-	24,000
Total Remuneration					
2006	861,818	375,000	1,620	-	1,238,438
2005	626,095	200,000	-	139,900	965,995

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(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	5,000,000	3.5.2005	0.01399	0.055	3.5.2005	3.5.2007
S Reid	5,000,000	3.5.2005	0.01399	0.055	3.5.2005	3.5.2007
L Mnguni	-	-	-	-	-	-
C Innis *	-	-	-	-	-	-

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

2006

Company Director	Balance 1.7.2005	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2006	Total Vested 30.6.2006
M Flory	13,000,000	-	8,000,000	266,875	5,266,875	5,266,875
S Reid	7,000,000	-	2,000,000	500,000	5,500,000	5,500,000
L Mnguni	2,000,000	-	-	(2,000,000)	-	-
C Innis *	-	-	-	-	-	-

2005

Company Director	Balance 1.7.2004	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2005	Total Vested 30.6.2005
M Flory	8,000,000	5,000,000	-	-	13,000,000	13,000,000
S Reid	2,000,000	5,000,000	-	-	7,000,000	7,000,000
L Mnguni	2,000,000	-	-	-	-	2,000,000
C Innis *	-	-	-	-	-	-

* 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 2006

(e) Shareholdings

2006

Company Director	Balance 1.7.2005	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2006
M Flory	1,250,000	-	8,000,000	(3,350,000)	5,900,000
S Reid	2,000,000	-	-	250,000	2,250,000
L Mnguni	-	-	-	-	-
C Innis *	300,000	-	-	1,300,000	1,600,000

2005

Company Director	Balance 1.7.2004	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2005
M Flory	2,567,500	-	-	(1,317,500)	1,250,000
S Reid	3,250,000	-	-	(1,250,000)	2,000,000
L Mnguni	2,500,000	-	-	(2,500,000)	-
C Innis *	-	-	-	300,000	300,000

* appointed as a director during the year

resigned as a director during the year

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 totalling \$1,498,585 (2005: \$422,003).

(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 (2005: Nil).

(d) Transactions with other Associated Entities

Consultancy payments were made to Mosman Corporate Services Pty Ltd totalling \$326,514 which is a company controlled by Mr Wayne Kernaghan, the company's secretary.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

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

	Details of Investment Shares			
	Contribution to Consolidated Operating Loss		Cost of Parents Investment in Subsidiary	
	2006	2005	2006	2005
	\$	\$	\$	\$
AIM Resources Ltd	(5,683,423)	(3,910,738)		
Mungari Quarries Pty Ltd	-	(33,842)	-	-
African Platinum Pty Ltd	-	(32,888)	1	1
Platinexco (Proprietary) Limited	(8,341)	(30,744)	4,464,471	4,464,471
Nantou Mining Limited BV	(1,001,032)	-	1,421,789	1,421,789
African Platinum Limited	690	(15,753)	3	3
Lapelle Platinum (Proprietary) Limited		(102)		
	<u>(6,692,106)</u>	<u>(3,956,383)</u>	<u>5,886,264</u>	<u>5,886,264</u>

Company	Place of Incorporation	Class of Shares	Equity Holding	
			2006	2005
Mungari Quarries Pty Ltd *	Australia	Ordinary	-	-
African Platinum Pty Ltd	Australia	Ordinary	100%	100%
Platinexco (Proprietary) Limited #	South Africa	Ordinary	100%	100%
African Platinum Limited #	Mauritius	Ordinary	100%	100%
Lepelle Platinum (Proprietary) Limited #	South Africa	Ordinary	74%	74%
Nantou Mining Limited BV #	Netherlands	Ordinary	100%	100%

* This company was deregistered during 2005.

This company is audited by a firm other than the auditor of the parent entity.

18. Earnings Per Share	Economic Entity	
	2006	2005
(a) Net loss		
Net loss used in the calculation of basic earnings per share	<u>(6,692,106)</u>	<u>(3,956,381)</u>
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	<u>536,705,846</u>	<u>439,105,536</u>
Weighted average number of options outstanding	<u>23,000,000</u>	<u>46,114,041</u>
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	<u>559,705,846</u>	<u>485,219,577</u>

19. Commitments

The consolidated entity has certain obligations to perform minimum exploration work and expend a minimum amount of money on mineral exploration tenements. The consolidated entity has committed to expend a minimum of \$Nil (2005: \$Nil) over the next year to keep its current tenements in good standing.

19. 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 is 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 loss before income tax is \$Nil (2005: 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		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Exploration expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

20. Financial Instruments Disclosure

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries. The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.

i) Interest Rate Risk

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

2006	Note	Floating Interest rate \$	One Year or less \$	Over One to 5 Years \$	Non Interest Bearing \$	Total \$
Financial Assets						
Cash and cash equivalent	6	8,097,989	-	-	-	8,097,989
Trade and other receivables	7	-	-	-	207,508	207,508
Financial Assets	8	-	-	-	1,050,700	1,050,700
		<u>8,097,989</u>	<u>-</u>	<u>-</u>	<u>1,258,208</u>	<u>8,356,197</u>
Weighted avg interest rate		5%				
Financial Liabilities						
Trade and other payables	11	-	-	-	539,816	539,816
		<u>-</u>	<u>-</u>	<u>-</u>	<u>539,816</u>	<u>539,816</u>
Weighted avg interest rate		-				

2005	Note	Floating Interest rate \$	One Year or less \$	Over One to 5 Years \$	Non Interest Bearing \$	Total \$
Financial Assets						
Cash and cash equivalent	6	4,935,178	-	-	-	4,935,178
Trade and other receivables	7	-	-	-	12,772	12,772
Investments	8	-	-	-	75,000	75,000
		<u>4,935,178</u>	<u>-</u>	<u>-</u>	<u>87,772</u>	<u>5,022,950</u>
Weighted avg interest rate		5%				
Financial Liabilities						
Trade and other payables	11	-	-	-	644,995	644,995
		<u>-</u>	<u>-</u>	<u>-</u>	<u>644,995</u>	<u>644,935</u>
Weighted avg interest rate		-				

ii) Net Fair Values

Monetary financial assets and liabilities not readily traded in an organized financial market have been valued at cost, which approximates fair value.

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

iii) Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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

	Economic Entity		Parent Entity	
	2006 Carrying Amount \$	2005 Carrying Amount \$	2006 Carrying Amount \$	2005 Carrying Amount \$
Financial Assets				
Cash and cash equivalent	8,097,989	4,935,178	8,091,674	4,932,058
Trade and other receivables	207,508	12,772	119,710	7,591
Financial Assets	1,050,700	1,100,000	1,050,700	1,100,000
Financial Liabilities				
Trade and other payables	539,816	644,993	516,594	640,957

21. Cash flow Information

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
Reconciliation of cash flows from operation with loss				
Loss from ordinary activities after income tax	(6,692,106)	(3,956,383)	(5,684,588)	(3,910,738)
Non cash flows in loss:				
Depreciation	50,929	21,636	50,929	21,636
Exploration expenditure written off	456,948	-	457,322	-
Provision for diminution in investments	-	5,251	-	5,251
Changes in assets and liabilities:				
(Increase) / decrease Trade and other Receivables	(176,923)	12,400	(112,119)	17,581
Increase/ (decrease) Trade and other payables	(105,179)	475,618	(124,363)	471,415
Increase/ (decrease) Other provisions	750	1,002	750	1,002
Cash flow from operations	<u>(6,465,581)</u>	<u>(3,440,476)</u>	<u>(5,412,069)</u>	<u>(3,393,853)</u>

22. Events After Balance Sheet Date

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:

- The Company has issued 1,500,000 shares on the exercise of 1,500,000 options exercisable at 4 cents each expiring on 30 September 2006 which has raised \$60,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

23. Segment Reporting

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

Segment accounting policies are the same as the consolidated entity's accounting policies. During the financial year, there were no changes in segment accounting policies that had material effect on the segment information.

	Revenue External \$	Segment Result \$	Segment Assets \$
Geographical segments – 30 June 2006			
Australia	377,909	(5,683,423)	8,517,036
Africa	<u>151,773</u>	<u>(1,008,683)</u>	<u>5,995,940</u>
	<u>529,687</u>	<u>(6,692,106)</u>	<u>14,512,976</u>
Geographical segments – 30 June 2005			
Australia	281,310	(3,876,896)	5,182,056
Africa	<u>-</u>	<u>(79,487)</u>	<u>6,452,886</u>
	<u>281,310</u>	<u>(3,956,383)</u>	<u>11,634,942</u>

AUSTRALIAN STOCK EXCHANGE INFORMATION

Shareholdings

	Ordinary Shares	Options
(a) Analysis of holdings as at 20 September 2006.		
1-1,000	215	20
1,001-5,000	341	91
5,001-10,000	415	69
10,001-100,000	1,875	371
100,001 and over	662	174
	3,508	725
Less than marketable parcels	404	128
(b) Substantial shareholders: The Company has no substantial shareholders as at 20 September 2006.		
(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 20 September 2006.		

	No. of Shares	% of Total
London Register	175,708,041	28.56
ANZ Nominees Limited	42,454,844	6.90
Simon Nicholas Jones	22,875,118	3.72
Maurice James Neil QC	8,000,000	1.30
RBC Dexia Investment Services	6,269,017	1.02
Marc Flory	5,900,000	0.96
Resource Asia Limited	5,835,332	0.95
Frank Brewer	5,383,729	0.88
David Cheney Pty Ltd	5,000,000	0.81
Russell James McKenzie	3,925,000	0.64
Paul Evans	3,000,000	0.49
WJK Investments Pty Ltd	2,900,000	0.47
Mdm Thie Tjie Hoa	2,800,000	0.46
Citicorp Nominees Pty Ltd	2,663,831	0.43
National Nominees Limited	2,474,646	0.40
HSBC Custody Nominees	2,451,000	0.40
Seaman Investments Pty Ltd	2,406,240	0.39
Scott Andrew Reid	2,000,000	0.33
Tornado Nominees Pty Ltd	2,000,000	0.33
Darryl Gordon Scharfe	2,000,000	0.33
	306,046,798	49.77%

AUSTRALIAN STOCK EXCHANGE INFORMATION

(e) The names of the twenty largest shareholders of options as at 20 September 2006.

	No. of Shares	% of Total
ANZ Nominees Limited	19,366,733	14.10
Noble Investments Pty Ltd	11,889,222	8.66
Timothy Owen Lebbon	8,989,256	4.36
David Cheney Pty Ltd	5,000,000	3.64
Keith Middleton	2,250,000	1.64
Keith John Amor	2,200,001	1.60
Geoff Kevin Cammell	2,177,300	1.59
Maurice James Neil QC	2,000,000	1.46
Simon David Gilbert	2,000,000	1.46
Mesuta Pty Ltd	1,763,069	1.28
Bradley Knight	1,693,299	1.23
Timothy John Magill	1,500,000	1.09
Robert Burgess	1,420,000	1.03
Fred Parrish Financial	1,350,000	0.98
Hamish Gordon MacKirdy	1,250,000	0.91
Murtagh Bros Vineyards	1,250,000	0.91
Peter John Bartter	1,250,000	0.91
Jan Van Der Veen	1,235,500	0.90
Wirkus Developments Pty Ltd	1,230,000	0.90
Malcolm Clark Anderson	1,209,344	0.88
	<hr/> 71,023,724 <hr/>	<hr/> 49.53% <hr/>

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

(g) 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 and the Alternative Investment Market.
 ASX Code: AIM
 AIM Code: AIMR

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