



ASX Announcement

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**“African
Focused
Resource
Company”**

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AIM Resources is listed on the
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MARKET UPDATE/PROGRESS REPORT

AIM Resources Limited (“the Company”, “AIM Resources”) would like to provide the following update and progress report.

KEY POINTS:

- **Excavation of the Perkoa portal and development of the decline commenced**
- **Optimisation of Perkoa mine design and mining sequence increased Life of Mine (LOM) production, and improved grade:**
 - **Increase in LOM tonnes to 6.337Mt, from 5.856Mt**
 - **Increase in ore grade to 13.8%, from 13.2% Zn**
 - **Increase in mine life to 9.5 years, from 8 years**
- **Financial modelling of mine optimisation initiatives increased project Net Present Value (NPV) to USD105.8M, from USD56.2M (using the same zinc price assumption of USD2600 used in the March 2008 financial model)**
- **Funding options currently being evaluated based on terms and conditions offered by shortlist of potential financiers**
- **Negotiations with concentrate customers progressed, with finalisation of contracts planned to coincide with completion of funding**
- **Further value improvements being pursued including:**
 - **Revenues from silver**
 - **Increase in reserves**

Continued

Perkoa Zinc Project – Burkina Faso

Project Construction

Site infrastructure

Shotcreting of the boxcut is nearing completion, with final shotcrete surfacing being applied to the berms and batters. The sumps are being completed, including all pumps, piping and electrical reticulation for dewatering and mining activities. Some temporary generators are being utilised prior to commissioning of the permanent diesel powered generators. The ramp surface leading into the boxcut is being prepared for final surfacing.

Construction of other site infrastructure is progressing. It is expected that all fit outs of offices, workshops and amenities will be completed by September 2008.

Mobilisation of mining equipment /commence development of decline

On 16 May 2008, the Company initiated the first blast in the decline to commence development mining. The decline has now progressed 27.5 meters (as at 9 June 2008) from the portal, and ongoing rock bolting and roof support is being installed to stabilise the decline.

Project Milestones

In the 14 March 2008 announcement, the Company set a number of project milestones with indicative time frames for completion. The following is a summary of the status of these items:

Milestones achieved:

- Boxcut improvements necessary for portal construction
- Establishment of site infrastructure sufficient to allow the start of mining
- Mobilisation of mining equipment
- Commence development of the decline

Work to be completed:

a) Finalise outstanding sales agreements

Negotiations have continued with Xstrata's Asturiana de Zinc and Boliden AB, who have signed letters of intent for purchase of concentrates. Discussions included review of the wording of the sales agreement contract, and the documents are now pending legal review.

It is anticipated that these sales agreements will be finalised in the near future, and prior to securing project funding.

b) Finalise logistics / transport of zinc product

Previous versions of the business case assumed that concentrates would be trucked in containers 40km to the town of Koudougou, then loaded onto rail for transport to the Port of Abidjan in Côte d'Ivoire.

The target date for finalising the logistics route has been revised to allow cheaper alternatives, involving trucking to Ports in Ghana or Lome, to be considered. Competitive quotes have now been received from a number of trucking companies, and an improved rail quote is also expected to be provided.

A final decision regarding the transport and the preferred supplier will be made in the near future, and prior to securing project funding.

c) Perkoa project funding

As at 1 June 2008, the Company has available cash funds totalling USD57M. As previously advised, an additional USD57M in funding is required to complete development of the mine.

The tightening of the global credit markets and softening of zinc prices has made it necessary to extend the fund raising timetable. The highest priority has been given to this critical aspect of the business and a great deal of work has been undertaken to progress this matter.

A number of indicative term sheets, which outline the commercial terms and conditions for funding, have been submitted in writing from potential financiers. Given the changes in economic conditions in the industry, it is imperative that such offers are very carefully considered and evaluated against the project economics. Provided agreement can be reached regarding terms with the financiers involved in current negotiations, a formal due diligence process will be undertaken.

The Company is aiming to secure financing by the end of September 2008.

Future targets

a) Delivery of first production ore - November 2008

The project remains on target for first development ore to be raised in November 2008.

b) Production of first zinc concentrates from processing plant - Q2 calendar 2009

The principal EPCM contractor DRA, has updated the project schedule and confirmed that the project remains on target for commissioning of the plant, and then production of first concentrates, in Q2 2009.

Delivery of process plant components is expected to commence in July 2008.

Perkoa Project Value-Enhancing Initiatives

On 8 April 2008, the Company announced the key outcomes of the SRK Mining Consultants (SRK) review completed in March 2008. Within the announcement, the Company summarised the production and financial outcomes of the SRK report, including an NPV of USD56.2M at 10% real discount rate.

In addition, a number of value enhancing initiatives for the Perkoa project were identified, including:

1. Increase in LOM ore production
2. Increase ROM grade
3. Reduced downstream costs
4. Review silver content of ore
5. Increase to process plant recovery *

** Since the announcement, this initiative has been suspended and replaced with a review of the geological block model, with the aim of increasing reserves and mine life.*

Completed improvements

Work has been completed on the first three of these initiatives, resulting in significant value being added to the Project.

The optimised mine design and mining sequence has subsequently increased ore production and grade through the placement and extraction of support pillars. A reduction in downstream costs

associated with transporting zinc concentrate from site to port, has also been achieved through competitive transport quotes received in recent negotiations with various trucking companies.

The revised production and operating outcomes are:

LOM ore production	6.337m tonnes ROM
ROM grade	13.8% Zn
Production rate.....	60kt/month
Zinc to concentrate recovery.....	91%
Concentrate grade	53.8% Zn
Life of mine	9.5 years

Further improvements pending

Having now delivered significant improvements to project economics, another two initiatives are currently being worked on:

a) Potential secondary silver concentrate product

Core samples are currently being analysed at an Australian laboratory to determine the extent to which the silver present in the ore can be extracted (average LOM = 29g/t). The current plant design assumes all the silver is to be discarded, and therefore no allowance has been made for any economic benefit from recovery of the discarded silver. The potential to improve project economics based on revenues from silver is currently being assessed.

b) Geological block model expansion

It is expected that assay results for the recent deep drilling program completed in April 2008, will contribute to extending the dimensions of the ore body at depth. Provisional assays have been received by the Company, and final results are pending. An extension of the block model and increase in reserves, will potentially increase the life of the mine.

Revised Financial Model

Financial benefits of value-enhancing initiatives

The improvements referred to above have recently been incorporated into an update of the Project financial model by SRK.

The result of this financial analysis is an increase in NPV (at 10% real discount rate) to USD105.8M, from the March 2008 outcome of USD56.2M.

It is important to note that this comparison and evaluation of the benefits of the improvements is based on using the same USD2600 zinc price used in the March 2008 model.

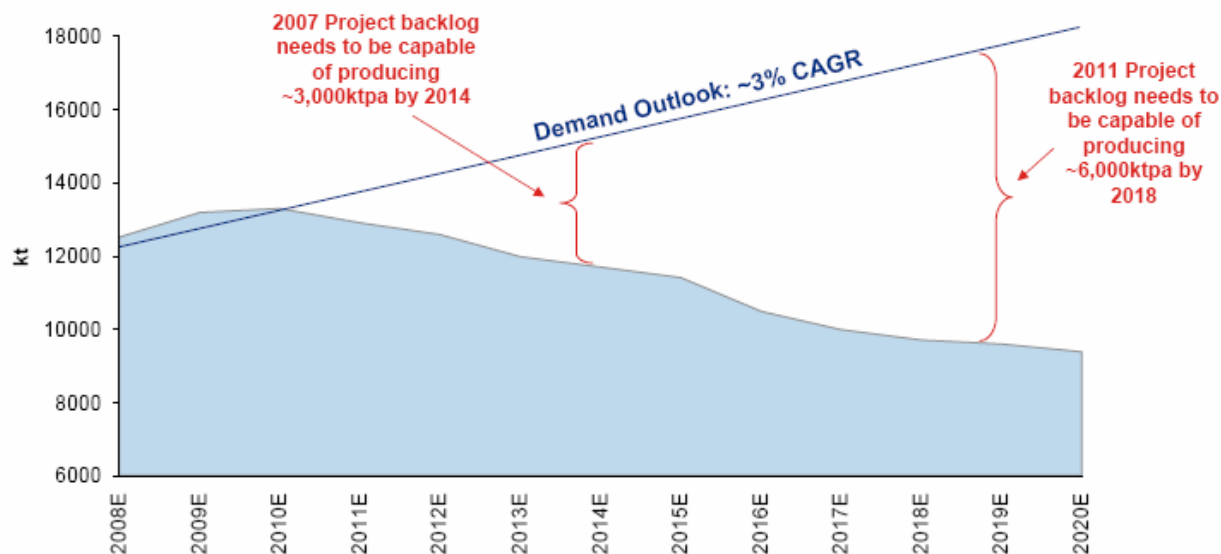
Zinc price sensitivity

An analysis of the zinc price sensitivities used in the financial model, has identified that the Project economics require that the zinc price averages USD2100 over the next 9.5 years (LOM) to provide a expected return of 10% (in real terms).

There is currently a range of views in the market regarding future zinc prices. It is the Company's view (supported by various industry analysts), that from 2010 onwards there will be a growing shortfall in global concentrate supplies. This shift in the supply/demand balance will underpin increases in zinc prices above the current prices.

Zinc Mine Production Changes

There is a need for new projects to meet projected demand, even at a conservative 3% CAGR.



Source: Citi Investment Banking
Perspectives on Zinc Presentation, February 2008

Burkina Faso Exploration

The results of the VTEM geophysical survey completed over the Perkoa and surrounding exploration areas have been received, and are currently being reviewed and interpreted. These results are now expected to be available in July 2008.

Mumbwa Copper-Gold Project – Zambia

On 10 June 2008, the Company received confirmation from BHP Billiton that it had vested at 50% on the Mumbwa Joint Venture and also confirming that AIM Resources has a further right to earn an additional 20% interest by sole funding the Phase 3 work program.

Drilling in the Phase 3 work program, which commenced in February 2008, is continuing. Drilling is progressing on the eighth hole in the program, for a total of 4,165 metres. In excess of 900 samples have been collected to date, and dispatched to the laboratory for analysis.

Mokopane Nickel-Platinum Project – South Africa

The Company has received confirmation from the Department of Minerals and Energy (DME), that they have received the application for renewal of the prospecting rights. The application is currently being processed by the DME.

North Sound Court Application

Further to the application filed with the Federal Court of Australia in Sydney by North Sound Legacy International Limited (North Sound), a shareholder in the Company, it was agreed by both parties to apply for an extension of the “standstill” on proceedings, whilst the parties continue to resolve the issues.

The matter is re-listed for a directions hearing on 20 June 2008, at which time an update on the progress of settlement discussions is to be provided to the Court.

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