



## **ASX Announcement**

**11 SEPTEMBER 2008**

**“African  
Focused  
Resource  
Company”**

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**AIM Resources is listed on the  
ASX (code: “AIM”) and on  
London’s Alternative  
Investment Market (code:  
“AIMR”)**

## **PERKOA PROJECT UPDATE**

### **Key Points**

- **Care and maintenance programme implemented at Perkoa Zinc Mine**
- **Long lead time process plant equipment delivered to site**
- **Results received for the extraction of silver in concentrate**
- **Work on geological block model update deferred**

AIM Resources Ltd (“AIM Resources” “the Company”) wishes to announce it has commenced the care and maintenance programme at the Perkoa Zinc Project (“Project”) in Burkina Faso.

### **Care and Maintenance**

As announced on 17 July 2008, the Company decided to suspend development activities on the Perkoa Project based on current economic factors, including the depressed global zinc price.

Mining contractor Byrncut Mining Pty Ltd, EPCM contractor DRA Mineral Projects and earthmoving contractor Banlaw Africa Ltd have now all demobilised.

Civil work to complete footings and foundations for the Process Plant however is continuing, and the civil contractor De Simone Ltd will only demobilise when this work is complete.

The care and maintenance program has now been implemented and is estimated to cost approximately USD30,000 per month. This cost will cover labour and materials necessary to ensure the safety and security of the assets, and to conduct routine maintenance to ensure that machinery and equipment are kept in a satisfactory condition for future use.

### Social and Community Programme

The Company is continuing to uphold commitments made regarding social and community programmes in Burkina Faso.

### Arrival of Components and Site Status

A substantial quantity of equipment, including ball mill, crushers, filters and other key process plant components, were recently delivered to site. Three generators are currently en route, and are expected to be delivered to site and set on the pads provided by the end of September 2008. Examples of the equipment delivered are shown in Figure 1.

Accommodation, offices, communications, earthworks, and workshop are all either complete or near completion. Construction of the 20km water pipeline has not commenced. The decline development is approximately 60m in and is in solid ground. The box-cut, ramp, drains and pumping facilities are complete. Recent heavy rain has not caused any damage.

### Value Enhancing Initiatives

A number of initiatives to enhance the fundamental economics of the Perkoa Mine business case have been successfully implemented. Following on from this, investigations were carried out into potential value increases from silver extraction and reserve increases.

#### *Silver*

Two core samples were collected and analysed by ALS Laboratory in Brisbane, Australia to determine whether the silver contained within the ore at Perkoa could be economically extracted. Unfortunately, the conclusion of this work is that the composition of the ore is such that silver cannot be easily liberated, and this initiative will not be pursued further at this stage.

#### *Geological model expansion*

In July 2008, assay results were received from five deep holes that were drilled at Perkoa earlier in the year. The objective of this drilling was to assess the potential increase to the geological block model, with a view to increasing the reserve statement, thereby extending the mine life.

While results of zinc assays taken from these holes provided further confirmation and confidence in the existing block model, deviations of the holes from the target location has meant that further data will be required to definitively extend the geological block model beyond the current reserves.

Given that the Project is currently on care and maintenance, it has been decided that additional drilling will be deferred until zinc prices improve and project funding is secured.

### Future Project Re-start

Recommencement of construction at the Perkoa Project will require a financing package that mitigates price volatility and a stronger zinc price outlook. An analysis of zinc price sensitivities has identified that the Project economics require an average zinc price of USD2,100 over the life of the mine to provide a minimum return of 10% (in real terms).

The Project is approximately 50% complete and work is now underway to update the capital budget estimate to complete the Project, incorporating re-mobilisation costs and projected cost escalations for future expenditure.

Work is also continuing to find suitable investor(s) for the Perkoa Project.

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## **AIM Resources Limited**

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### Cash Position

As at 31 July 2008, the Company had a cash position of USD45M, with the estimate that USD15M would remain once outstanding commitments such as delivery of the process plant equipment and completion of foundations were paid for.

More recent calculations, which involved the detailed analysis of contracts and commitments, have confirmed that USD15M will be available to the Company upon completion of the “ramp down” phase. This phase, involving delivery of long lead-time items and other equipment and goods, as well as cancellation of some contracts, is expected to be completed by November 2008.

The USD 15M funds will be used to fund the following activities:

- Exploration activities on the Company’s key assets in Burkina Faso, Zambia and South Africa
  - Social and community projects
  - Perkoa Project care and maintenance
  - Operational overheads
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