

22 July 2004

The Manager,
Company Announcements
Australian Stock Exchange
Sydney, NSW

FOR IMMEDIATE RELEASE

A1 reaches agreement with Native title Claimants

- **BrightStar Mining Lease application given the go ahead**
- **Native title clearance for A1 to explore and develop the whole of Merolia and Lightfoot Greenstone Belts**
- **Native Title Claimants to become Shareholders in A1**

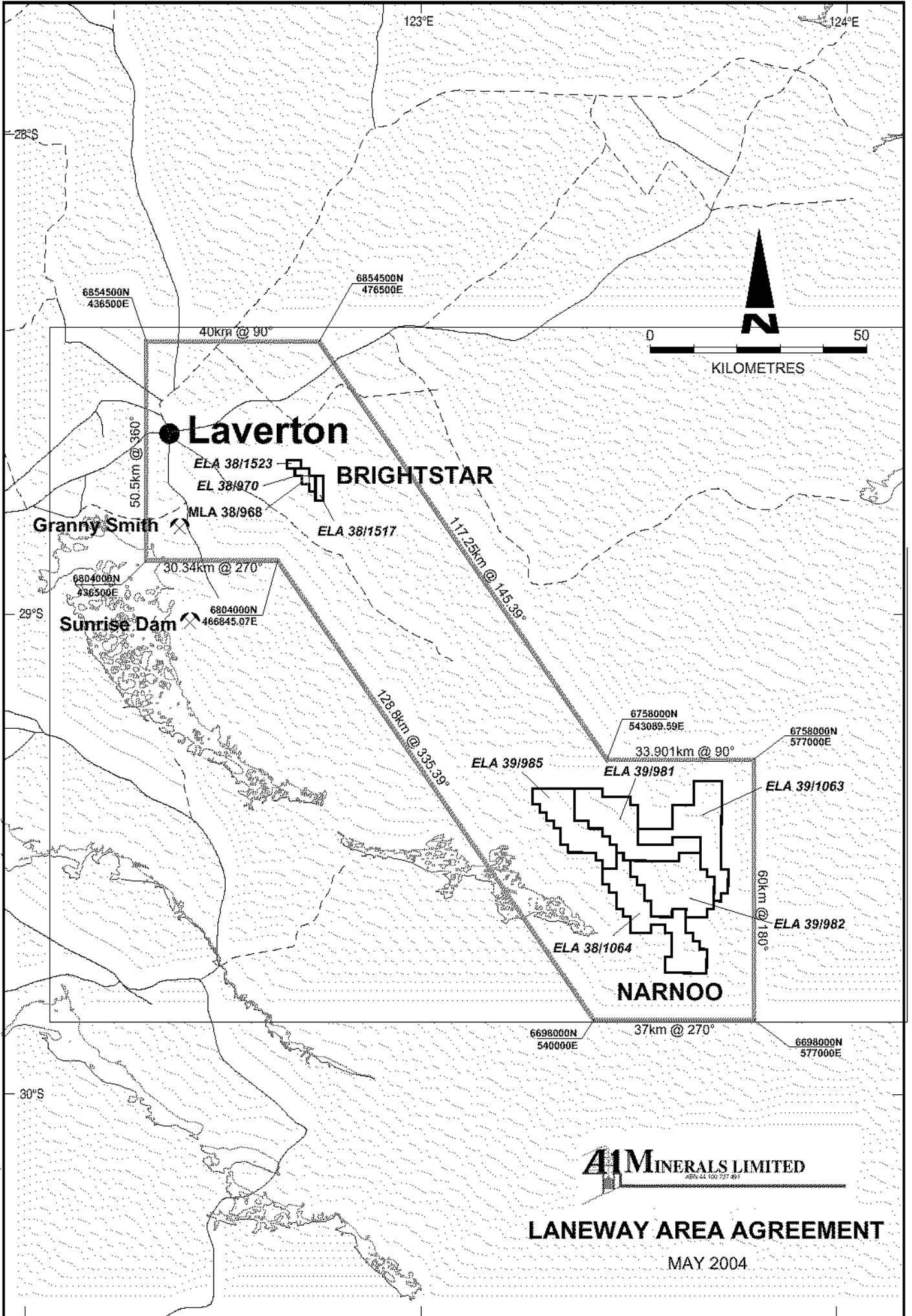
The Directors of A1 Minerals Limited are pleased to announce an Agreement with the Wongatha Claim Group. The Wongatha are the applicants in the Wongatha Native Title Claim, which has yet to be determined. The Agreement covers a large tract of ground including all current tenement holdings and will assist the Company in achieving its aims of being a gold producer and explorer.

The Agreement

The Agreement provides for the Wongatha to consent to the grant of all current and future tenement applications by A1 or any joint venture partner. It also sets out procedures to protect Aboriginal Sites and provides employment and training opportunities for the Wongatha people.

The Agreement removes native title as an issue over a large area, approximately 200km by 50km, designated, the 'Laneway' (see attached plan). The Laneway includes the Company's two projects BrightStar and Narnoo.

The Agreement clears the way for exploration and development of other mineral deposits within the Laneway, providing the Company with the potential for a number of options in the exploration and development of projects that will add value to Narnoo and BrightStar.



AIM MINERALS LIMITED
ASX: AIM

LANEWAY AREA AGREEMENT
 MAY 2004

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The Laneway Agreement provides A1 with opportunity in an area covering a greenstone belt that is **seriously under explored, removes the uncertainty with respect to native title** and paves the way for the **granting of a mining lease at BrightStar**.

The Wongatha have agreed to terms which will see the issue of ordinary fully paid shares in A1 forming part consideration for the agreement. Broadly the terms of the proposed issue are, that within 7 days of the granting of the BrightStar mining lease A1 will issue to the Wongatha ordinary fully paid shares (with the same rights attaching as those currently on issue) to the value of \$220,000. The issue price will be determined by taking the average market price for the five days preceding the issue date. The terms provide for the Wongatha to enter into a **voluntary escrow agreement for twelve months from the date of issue**. This issue is not proposed to be made to a particular class of security holders and shareholder approval is not required and will not be sought prior to the issue.

The Director's believe that the terms of the agreement put A1 in a strategically strong position to explore this very **large highly prospective land area totaling approximately 10,000 square kilometers**. The removal of any uncertainty, combined with low up front exploration costs, and reasonable terms on which A1 can operate mines, will underwrite the long term future of the Company.

The Agreement involved 5 months of negotiations and in its final form has produced an outcome that provides clear benefits for all parties.

The Directors welcome the Wongatha as shareholders in A1.

John Williams B.Sc, MAusIMM
Managing Director

The geological information in this report as it relates to mineral resources and ore reserves is based on information compiled by A1 Minerals Limited Managing Director Mr John Williams, who is a member of the Australasian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry.