



AUSTRALIAN STOCK  
EXCHANGE CODE AAM



Current Issued Capital: 101,041,861 Ordinary Fully Paid Shares

Market Cap at 11 cents \$11M

Cash at Bank: \$4.9M

17 July 2008

## ASX ANNOUNCEMENT

### GOLD PROCESSING PLANT PURCHASE

- **A1 Minerals purchases a 300ktpa modular gold processing plant.**
- **A modest capital requirement is expected for relocating and commissioning the processing plant which will be outsourced.**
- **A1 Minerals will be reviewing its mining approach in order to incorporate recent resource additions, optimise the potential for early cash flow and maximise exposure to a robust gold price.**

The Board of A1 Minerals Resources Limited (**ASX: AAM**) is pleased to announce the agreement of terms to purchase a gold processing plant for intended use at its 1.01Moz BrightStar Gold Project (refer ASX Announcement 6 June 2007).

Included in the purchase agreement is a refurbishment, relocation and reconstruction contract. The cost-estimation of this project is underway.

The equipment subject to the agreement includes a gold processing plant with the crushing, milling and tankage for a 300ktpa processing capability. The gold processing plant is completely decommissioned and disassembled near Kalgoorlie, located 400km by highway from Laverton, which will reduce costs and simplify refurbishment and relocation.

The agreement is subject to normal commercial warranties and indemnities and includes the following terms:

- Settlement to occur following a General Meeting of Shareholders of A1 Minerals to be called as soon as practicable;
- \$250,000 cash payable to the vendor at settlement;
- 7,500,000 million ordinary shares in A1 Minerals to be issued to the vendor at settlement (subject to shareholder approval). The shares will be subject to voluntary escrow for a period of six months from the date of issue;;
- 5,000,000 million unlisted options exercisable at 20 cents on or before 31 May 2011 to be issued to the vendor at settlement (subject to shareholder approval); and
- The engagement of a Mr William Hobba as Construction Manager for the duration of the relocation, refurbishment and construction phase.

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The purchase of the gold processing plant will enable A1 Minerals to pursue a production strategy that will mine high-grade and near surface ore in the initial two years of operation, with a target production rate of 300ktpa. Production will be supported by a strong commitment to exploration to ensure a sustainable operation.

This mining approach will maximise exposure to a robust gold price and provide strong early cash flow, reducing the initial capital requirement but also allowing for further expansion as the resource base continues to grow.

Mr Hobba, who has been engaged as a project and construction manager, has an intimate knowledge of the plant. This will ensure the process of refurbishment and commissioning is carried out in the most cost effective manner.

Open pit optimisation studies completed in mid-2007 indicated excellent potential for high grade (plus 4g/t gold grade) ore to be generated from multiple open pit sources.

Since then, A1 Minerals has been highly encouraged by exploration success in particular an area of significant shallow mineralisation at its new discovery at Delta-2. This will be likely to increase the size of the total resource and form part of a resource revision estimated to be completed by October 2008.

The current global resource for the BrightStar Project stands at 14.2Mt at 2.2 g/t for 1,010,926 ounces of gold.

For more information please contact John Williams on 61 8 9244 1400 or visit the Company's web site at [www.a1minerals.com.au](http://www.a1minerals.com.au)

**John Williams**  
**Managing Director**

*The information in this report that relates to Exploration Results or Mineral Resources is based on data compiled by Mr Tony Ryall and Mr John Williams who are Members of the Australasian Institute of Mining and Metallurgy. Mr Ryall is a self employed independent contractor and Mr Williams is a full time employee of A1 Minerals Limited both Mr Ryall and Mr Williams and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Ryall and Mr Williams consent to the inclusion in this report of the matters based on information in the form and context in which it appears. Mr Ryall and Mr Williams are shareholders of A1 Minerals Limited.*