



Ark Mines to Operate Old Pirate Gold Mine in NT's Tanami Region

Sydney, 17 April 2018: The board of Ark Mines Ltd (ASX:AHK) is pleased to announce its plans to operate the Old Pirate project owned by ABM Resources NL (ASX:ABU) and the grant of an exclusive option to negotiate acquisition of ABU's Buccaneer project. Both gold projects are situated in the Northern Territory's Tanami region – see Figure 1 below.

Whilst AHK remains fully committed to its Pine Creek strategy and to producing gold from its Pine Creek tenements as soon as is practicable, the AHK board has resolved to operate a gold project with a low-cost entry which may be producing gold prior to approval of AHK's mining management plan for the Union Extended project.

Roger Jackson, AHK's Managing Director said:

"We want to build our own plant at Union Extended but can't do this until we have secured the required permits, secured the right funding partner and purchased the processing plant. We continue to work hard on all these facets. In the meantime, we don't want to stand still. We want to start producing gold as soon as we can. The Old Pirate project gives us that opportunity from an existing open cut pit and access to an established and proven gold processing plant."

The Old Pirate project will be AHK's first outside of Pine Creek and marks AHK's ambitions to become a major gold producer within the Northern Territory. Expansion of AHK's gold mining interests to another proven gold producing area spreads AHK's risks and will increase its inventory of mineable gold ounces.

AHK and ABU have entered into a letter agreement (**Agreement**) pursuant to which the parties shall in good faith negotiate an operating agreement (**Operating Agreement**) for the Old Pirate project (**Project Area**) pursuant to which AHK shall be entitled to explore and mine the Project Area which includes: **Bandit; Golden Hind; Old Glory; Old Pirate** (Central, East and South); and **Western Limb**.

The Agreement also grants AHK two options, namely an option to:

- purchase the Project Area, the processing plant, camp infrastructure and tailings dam situated within the Project Area and be assigned leases to the western bore field, airstrip and access road. This option may be exercised at any time during the term of the Operating Agreement provided AHK has made required payments to ABU and keeps the tenement in good standing; and
- negotiate the purchase of the Buccaneer project. This option provides AHK a window of 60 business days to conclude purchase terms.

For further details of the Agreement see ABU ASX announcement dated 17/04/2018.

AHK has identified an investor which is expected to provide the funding AHK requires to fulfil its financial commitments under the Operating Agreement, further details of which shall be the subject of a separate announcement. This funding will also permit AHK to favourably restructure its current debt arrangements.

Old Pirate

The Old Pirate project is situated on ML29822 which is located in the Tanami region of the Northern Territory, approximately 85km from Newmont Mining's "Callie" gold mine.

Project highlights include:

- good access from the Tanami Highway;
- a 20t/p/h processing plant;
- fully operational camp infrastructure;
- tailings dam;
- quality water supply from a series of bores;
- licensed airstrip nearby;
- permitted for open-cut gold mining and presently on care and maintenance;
- low entry cost; and
- prompt start-up to gold production.

AHK plans to undertake a number of cutbacks from the existing open-cut mines after the Operating Agreement is concluded and then progress to underground mining as soon as is practicable thereafter.

The Old Pirate deposit hosts an indicated and inferred Mineral Resource Estimate (MRE) of 760,000t grading 4.7g/t for 114,900oz of contained gold above a 1g/t cut-off grade. The MRE was revised by CSA Global in August 2016 following completion of mining.

Buccaneer

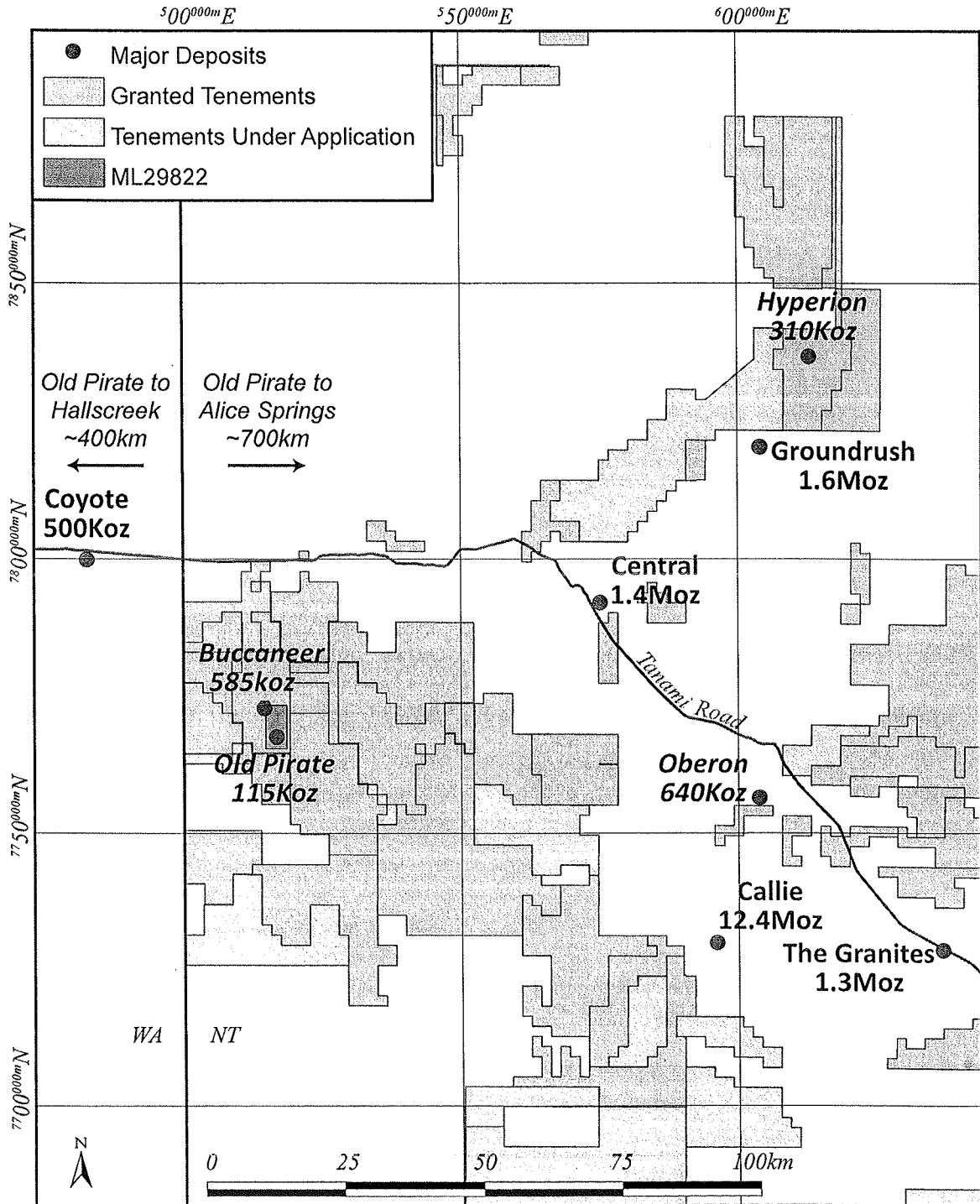
The Buccaneer project is also situated on ML29822 and located to the north of Old Pirate.

ABM Resources NL Buccaneer gold deposit – August 2017 Mineral Resource Report									
Oxide	Indicated			Inferred			Total		
	Tonnes (Mt)	Cut Au (g/t)	Metal (koz)	Tonnes (Mt)	Cut Au (g/t)	Metal (koz)	Tonnes (Mt)	Cut Au (g/t)	Metal (koz)
Oxidised	0.2	1.69	12	0.1	1.82	4	0.3	1.73	16
Transitional	0.7	1.69	40	0.5	1.52	22	1.2	1.63	62
Fresh	0.3	1.59	13	8.3	1.86	494	8.5	1.85	507
Total	1.2	1.67	65	8.8	1.84	521	10.0	1.82	585

Refer to ABU ASX announcement 01/09/2017 for details. The above-referenced MRE was revised from a previous in-house resource prepared by Optiro.

Subject to further due diligence and negotiation of satisfactory purchase terms, AHK considers Buccaneer would be an excellent acquisition for AHK and has the capacity to deliver significant gold production over many years.

Figure 1: Location Map for the Old Pirate and Buccaneer Projects



About Ark Mines

Ark Mines Ltd (**ASX: AHK**) is a public listed company now readying itself for gold production from mining tenements in the Northern Territory. The company's aim is to develop and acquire prospective gold tenements and in the near term establish itself as a significant Australian gold producer.

FURTHER INFORMATION: Roger Jackson, Managing Director, Ark Mines Ltd: +61 400 408 550

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Roger Jackson BSc, Grad Dip Fin Man, Dip Ed, AICD, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on. Mr Jackson is a director of the Company. Mr Jackson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jackson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.