



AHK Secures Agreements to Move Mining Plans Forward

Sydney, 11 June 2019: The Board of Ark Mines Ltd (ASX:AHK) is pleased to announce it has agreed in principle terms with Chan Investments Limited (**Chan**), which will permit AHK to:

- pay down and pay out Chan's debt over an agreed period of time;
- raise further capital and a debt facility to pursue mining at its Glencoe project; and
- acquire other gold mining assets;

at the earliest opportunity.

Chan Security

Chan holds securities over AHK assets pursuant to a Gold Loan Facility Agreement dated 4 August 2016 (*refer to AHK announcement dated 05/08/2016*).

AHK could not proceed with gold mining at its Mt. Porter project due to termination of the Toll Treatment Agreement dated 14 November 2016 between AHK and NT Mining Operations Pty Ltd (*refer to AHK announcement dated 23/07/2018*).

Forbearance Deed

On 5 October 2018 AHK and Chan entered into a deed of forbearance and settlement (**Deed**).

The Deed contemplated a sale of AHK's Mount Porter and Frances Creek tenements and certain gold rights to Territory Iron Pty Ltd (**Sale**), the proceeds from which would have paid out Chan's debt (*refer to AHK announcement dated 23/07/2018*).

The Sale did not proceed as contemplated and with Chan's consent, AHK terminated the Sale (**Sale Termination**).

Glencoe Mining

As a consequence of the Sale Termination, AHK's board reviewed matters and determined the most practical way forward was to procure funding to mine its Glencoe project (**Glencoe Mining**), which includes a current Mining Management Permit (**MMP**) for open pit mining (*refer to AHK announcements dated 13/10/2015 and 25/02/2016*).

Amendment of the Deed was essential to contemplate and progress Glencoe Mining.

AHK has undertaken a review of significant Glencoe data on file and has determined the project is economically viable, providing near term cash flow and equipment/recourse synergies with AHK's other projects in the Pine Creek district.

Out of all AHK's gold projects, Glencoe poses the least resistance to production based on low impact gravity and floatation/or offsite processing. AHK anticipates Glencoe Mining to be the first phase of its production sequence amongst its assets in the Northern Territory.

Glencoe is located in the Pine Creek mineral field, approximately 120km SSE of Darwin in the Northern Territory and lies between the towns of Pine Creek and Adelaide River to the southeast of Darwin (see Figure 1 below).

Glencoe highlights include:

- 704,000 tonnes @1.9g/t Au with 253,000 tonnes @2.2 g/t Au oxide and 451,000 tonnes @ 1.7 g/t Au (see Table A below). This mineral resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).
- 13,000koz from the 51,000oz within the resource model mineable from surface to 30m and recoverable by gravity and floatation.
- 46% recoverable by gravity with 9% course gold.
- 87% recoverable by simple floatation.
- has been bulk sampled (see Figures 2 and 3 below).
- makes high grade concentrate.
- potential to significantly increase resource by extending pit lengths, where there are large gaps in the drilling.
- can be free dug to 5 - 8m from surface.
- benefits from an MMP already secured and now in place.
- current MMP should be swiftly modified for gravity/float (as no cyanide required).
- has a low bond index.
- water is nearby and plentiful.
- flat and easily accessible terrain.
- no existing entitlements.

Table A: Glencoe Deposit April 2006 Mineral Resource Estimate*							
1.0g/t Cut-off, High Grade Cut 20g/t							
Zone	Indicated		Inferred		Total		
	Tonnes T	Cut Au g/t	Tonnes T	Cut Au g/t	Tonnes T	Cut Au g/t	Cut Au Ounces
Oxide	208,000	2.1	45,000	2.4	253,000	2.2	17,700
Fresh	174,000	2.0	277,000	1.6	451,000	1.7	25,200
Total	382,000	2.1	322,000	1.7	704,000	1.9	42,900
Previous Estimates							
ERA 1989					730,000	2.3	54,000

* The mineral resource estimate was prepared by Resource Evaluations Pty Ltd and first announced by Australasia Gold Ltd on 24 April 2006. It has not been updated to comply with the JORC 2012 Code on the basis the information contained therein has not materially changed since it was last reported.



Mandate for Capital and Debt Raise

AHK has issued a mandate to RC Advisers LLC, based in San Francisco (**Mandate**) to raise capital and a debt facility for AHK sufficient to progressively pay down Chan and enable AHK to swiftly progress preparations for Glencoe Mining as soon as is practicable.

Extended Forbearance

Based on the Mandate, AHK and Chan have agreed in principle to amend and modify the Deed (**Amended Deed**) to permit AHK sufficient time to raise further capital and a debt facility (anticipated to be between AUD\$6M and AUD\$10M) intended to partly pay down Chan, acquire a gravitational gold processing plant and to commence Glencoe Mining, as soon as is practicable.

Chan has in principle agreed to forbear from exercising its claims, rights and remedies for the term of the Amended Deed, provided AHK makes agreed payments.

AHK expects to sign an Amended Deed and any ancillary documents within 30 days.

About Ark Mines

Ark Mines Ltd (ASX:AHK) is a publicly listed company with gold tenements in the Northern Territory. AHK is focussed on mining its tenements and to develop further cash generating projects in the Northern Territory.

FURTHER INFORMATION: Roger Jackson, Managing Director, Ark Mines Limited: rjackson@arkmines.com.au

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.

Figure 1: Location of the Glencoe Project

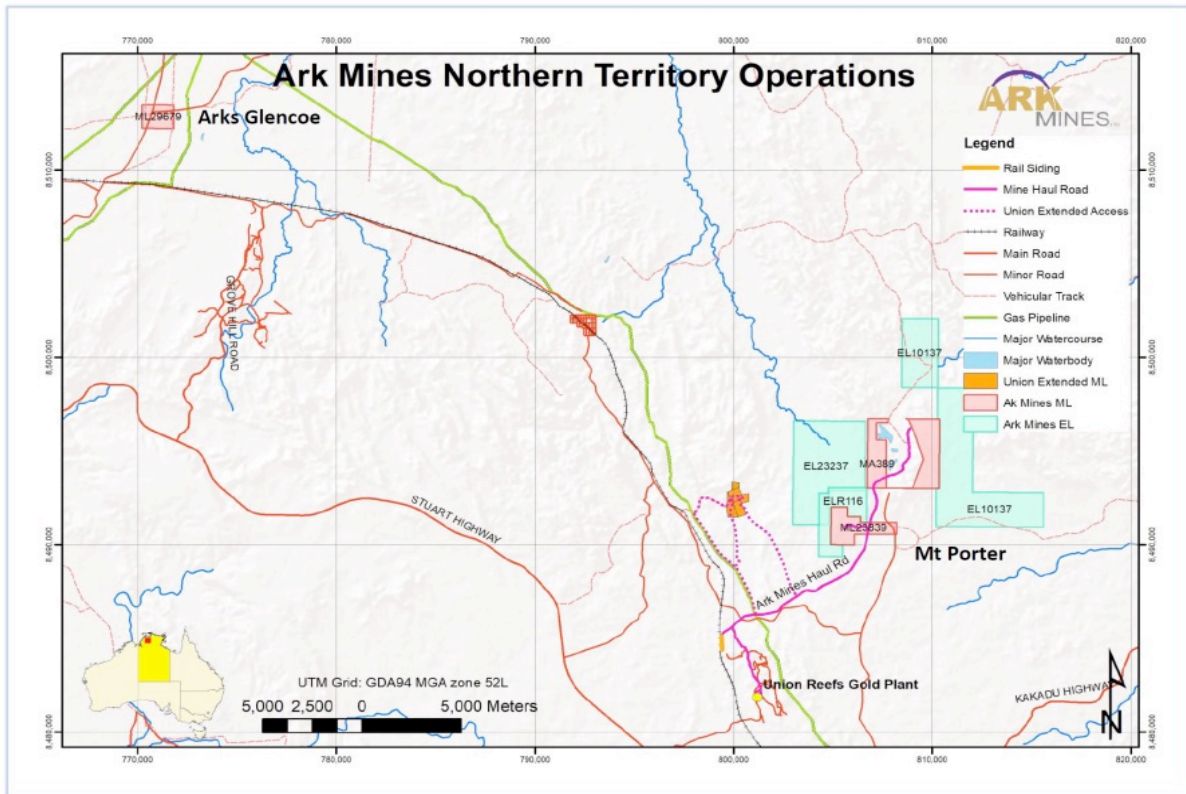


Figure 2: Extent of existing Glencoe bulk sample and pre strip open pits

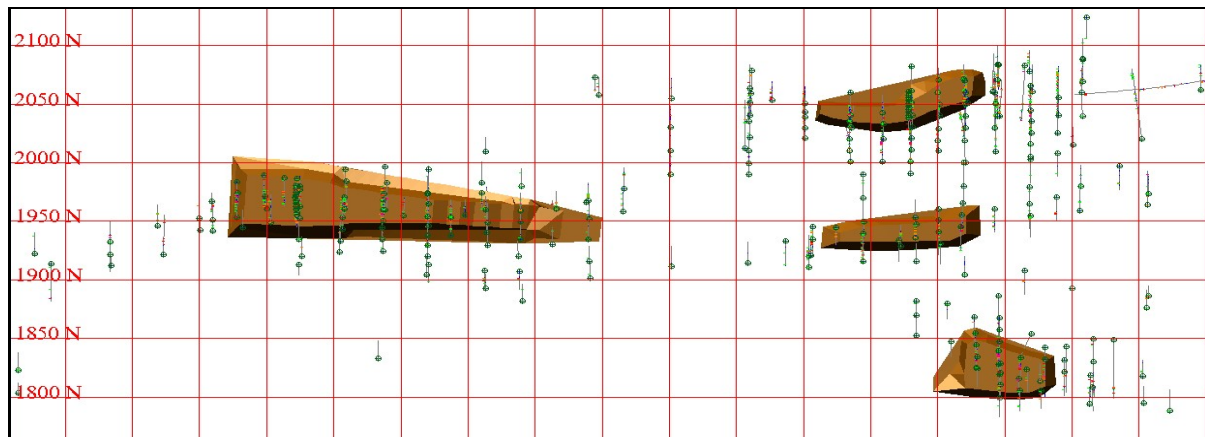


Figure 3: Cross section projection of existing Glencoe bulk sample and pre strip open pits

