



AHK to Joint Venture for Pine Creek Gold Production

Sydney, 30 July 2019: The Board of Ark Mines Ltd (ASX:AHK) is pleased to announce it has agreed in principle, terms for a joint venture (JV) with Trendsheer Holdings Pty Ltd (THPL) and ICA Mining Services Pty Ltd (ICA) to mine and produce gold doré from AHK's suite of tenements and gold rights (AHK Tenements) in and near Pine Creek in the Northern Territory (NT).

In a first for the NT, the JV intends to establish a new environmentally friendly gold processing hub in the Frances Creek area near Pine Creek, NT.

The JV:

- intends to deploy environmentally friendly technology patented by and licensed from the CSIRO, to process gold ore mined from the AHK tenements and other gold tenements within and near to Pine Creek;
- will through ICA, employ and provide opportunity for the local indigenous community; and
- will provide a unique and efficient co-operative model for increasing NT gold production.

It is expected a final and binding JV agreement will be signed within 30 days.

Terms of the proposed JV agreement include:

- establishment of a JV company registered in the NT;
- AHK granting the JV exclusive access to explore, mine and manage the AHK Tenements and process gold ore mined from them;
- the JV securing funding (including working capital) reasonably necessary to:
 - maintain and sustain the JV;
 - maintain and sustain the AHK Tenements;
 - perform exploration and mining of the AHK Tenements; and
 - purchase, establish and operate a gold processing plant (**Plant**);
- the JV negotiating and concluding a manager/operator agreement with THPL/ICA to:
 - establish and operate the Plant on THPL tenements located at Frances Creek next to and near the AHK Tenements; and
 - gain unconditional access to THPL infrastructure including tailings dams;
- JV services to be performed at a cost (**Costs**) to be approved by the JV board; (**Board**);
- the JV shall be responsible for gold doré sales as agreed from time to time by the Board (**Sales**);
- Costs and applicable royalties (**Expenses**) shall be deducted directly from Sales; and
- the balance of net Sales receipts, after deduction of Expenses, shall be apportioned between the parties in accordance with their shareholdings (**Distributions**).



AHK will be entitled to Board representation, senior executive roles and 30% of JV Distributions but will not be obligated to contribute capital in order to earn the Distributions.

THPL Background

THPL has recently purchased from Territory Resources Pty Ltd, TRL Frances Creek Pty Ltd and Frances Creek Pty Ltd (together **Territory**) various:

- MLs and ELs at Frances Creek (**THPL Tenements**);
- infrastructure and other assets situated on the THPL Tenements; and
- rights associated with the THPL Tenements to be assigned to THPL.

The THPL Tenements are situated adjacent to AHK's Mt. Porter and Frances Creek tenement suite. See further [Figure 1](#).

As soon as relevant Territory assignments have been registered, THPL will be the holder of an approved Mining Management Plan (**THPL MMP**) that permits the mining of iron ore on the THPL Tenements.

The JV agreement contemplates the THPL MMP will be modified to permit the establishment and operation of the Plant for gold processing and does not expect undue delay in procuring the modification given THPL Tenements are currently permitted for iron ore mining.

ICA Background

ICA:

- has acquired, or will acquire, the rights to build the Plant on one of the THPL Tenements;
- is well advanced in raising the capital required to build the Plant; and
- has secured the Northern Territory rights to Thiosulphate gold extraction process developed by the CSIRO.

Chan Investments Limited

AHK and Chan Investments Limited have agreed in principle terms for the repayment of AHK's debt to Chan (*refer to AHK announcement dated 11/06/2019*).

It is proposed that AHK, THPL and ICA shall co-operate to procure repayment of the Chan debt and that the JV will be responsible for repaying the majority thereof.

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, FGS 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 THPL Tenements and AHK Tenements

