

27 AUGUST 2025

SANDY MITCHELL RESOURCE EXPANSION DRILL PROGRAM ADVANCING AHEAD OF SCHEDULE

Highlights

- 2,500m Stage-3 resource expansion drill program at the Sandy Mitchell Rare Earth and Heavy Minerals project advancing ahead of schedule, with 94 of 189 drill holes now completed
- Stage-3 drilling has been designed to significantly increase the Mineral Resource at Sandy Mitchell from the current Measured Mineral Resource Estimate (MRE) of 71.8 Mt @ 1,732.7ppm Monazite Equivalent, calculated using a 700ppm MzEq lower cut-off grade.
- Ark is targeting a resource increase from this drill program of approximately 260Mt MzEq, bringing the total Measured resource to 330Mt, which still represents just ~11% of the JORC Exploration Target totalling 1,316Mt to 1,580Mt (ASX Announcement 2 July 2024)
The potential quantity and grade of the Exploration Target is conceptual in nature; it is uncertain if further exploration will result in an expansion of the Mineral Resource.
- Ark's geological team has observed mineralisation encountered in sand from surface to the metamorphic bedrock averages at depths of +12m, consistent with previous drill programs
- Expansion Stage-3 drill program on track for completion prior to the end of September quarter; assay results to be incorporated into a comprehensive Pre-Feasibility Study (PFS) that is scheduled for completion in early CY2026
- Assay results from Stage-3 drill campaign will be complemented by pending release of updated data from a recently completed metallurgical works improvement program carried out by specialist consultants, IHC Mining, to further support PFS project economics.

Ark Mines Limited (ASX: AHK) ('AHK' or the 'Company') is pleased to announce that the Stage-3 resource expansion drill program at the Sandy Mitchell Rare Earth and Heavy Minerals project in North Queensland is advancing ahead of schedule, with mineralisation observed that is consistent with previous drill programs in sand from surface.

Drill contractor Australian Exploration Drilling has completed around 89 drill holes of the 194-hole program, which was designed to deliver a significant increase to the existing Measured Mineral Resource Estimate (MRE) at Sandy Mitchell of 71.8 Mt @ 1,732.7ppm Monazite Equivalent (MzEq).

Upon completion of Stage-3 expansion drilling, Ark is targeting a resource increase of approximately 260Mt, based on thickness of the existing resource and mineralisation in the reconnaissance drilling used to inform the 1,316Mt to 1,580Mt JORC Exploration Target.

The expanded Measured resource is expected to significantly increase overall project economics at Sandy Mitchell, with assay results from the Stage-3 drill program to be incorporated into a comprehensive Pre-Feasibility Study.

The PFS will also include data analysis from ongoing metallurgical works programs to accompany the resource definition drilling campaign.

Managing Director Ben Emery said: *“The rapid advancement of our Stage-3 expansion drill program is a pleasing development, and underscores the fact that Ark is all-systems-go to execute on our near-term development strategy at Sandy Mitchell following the recent investment by the QIC Critical Minerals and Battery Technology Fund (QCBMTF). The existing Mineral Resource Estimate (MRE) at Sandy Mitchell, comprising 71.8 Mt @ 1,732.7 ppm Monazite Equivalent, was developed from only 4.5 % of the available anomaly area, and the Stage-3 drill program was designed to deliver a significant increase in the Measured resource. With similar mineralisation observed in drilling to-date, we are confident this drill program will underpin the next phase of development at Sandy Mitchell, further complemented by other near-term catalysts including our detailed metallurgical works improvement program.”*

Resource definition drill program

The advancement of expansion drilling follows confirmation of a \$4.5m investment in Ark Mines by the QIC Critical Minerals and Battery Technology Fund (QCBMTF) to advance development at the Sandy Mitchell (refer ASX Announcement 25 August 2025).

The QCBMTF is managed by QIC, a Queensland government owned corporation with A\$131.2bn (~US\$86bn) in funds under management (as of 30 June 2025), and the QCBMTF funding will facilitate the ongoing acceleration of project development at Sandy Mitchell.

Near-term works program will be led by the completion of Stage-3 drill program, which is currently on track for completion prior to the end of the September quarter.



Image: Stage 3 expansion drilling activity at the Sandy Mitchell Rare Earths project.

The drill program is being carried out by Australian Exploration Drilling ('AED'), who were awarded the contract following an extensive consultation process. The program utilises Air Core drilling through the sand column with Reverse Circulation drilling to finish at the bedrock, followed by completion of the bedrock intercept metre to end the hole.

AED has now completed 68 of a planned total of 194 vertical holes, with no down-hole survey and a mean expected mean depth of approximately 12.5m.

The average drill depth of the drill program to-date is consistent with previous programmes which resulted in the delivery of the maiden Measured resource where mineralisation was encountered from surface to the metamorphic bedrock at similar average depths. The drill program has been designed with each drill hole spaced 280m apart on a 16-drill line, which are themselves 280m apart.

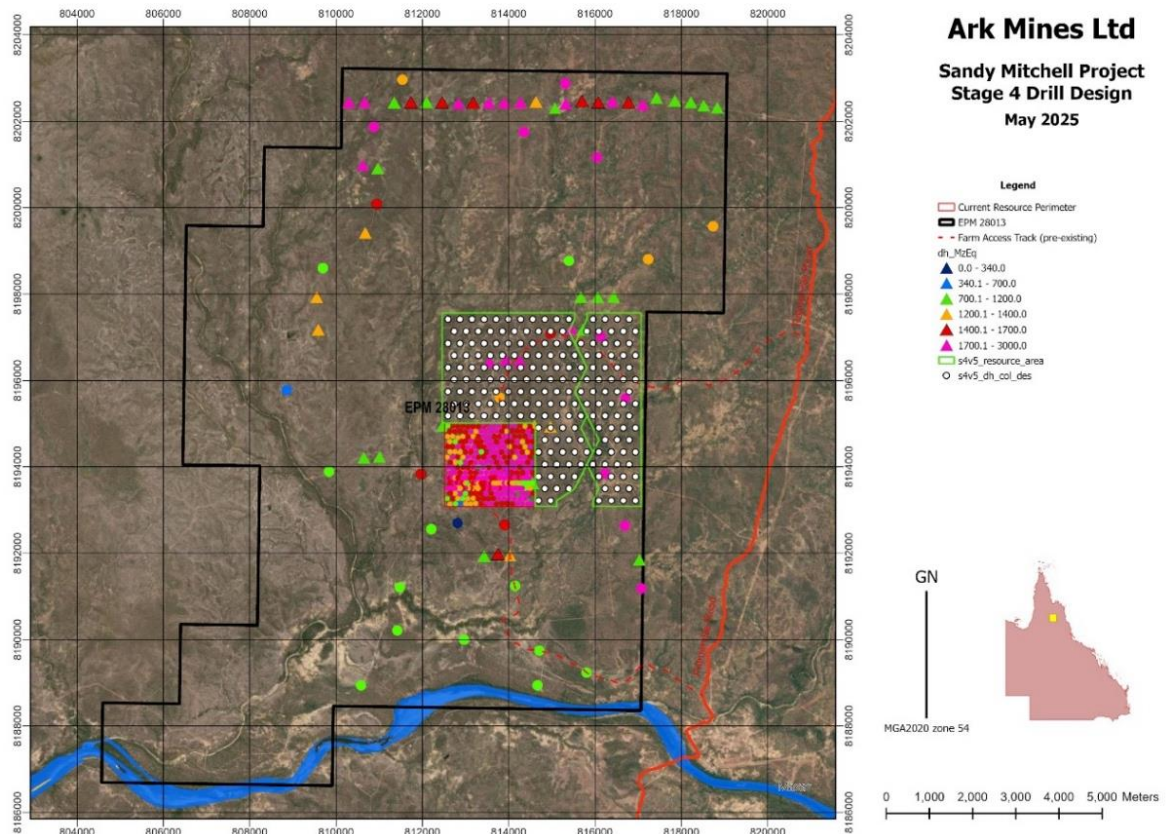


Image 2: Aerial view of the drill design program at Sandy Mitchell

With the advancement of Stage-3 drilling, Ark is targeting a significant expansion of the Measured resource will be incorporated into the commercial and economic calculations for Sandy Mitchell as part of a comprehensive Pre-Feasibility Study (PFS) that is scheduled for completion in early CY2026.

Data analysis from a detailed metallurgical improvement program (*refer ASX Announcement 17 June 2025*) being carried out by expert consultants, IHC Mining, is also scheduled for imminent completion and is expected further support the project economics for Ark's mine development strategy.



Image: Stage 3 expansion drilling activity at the Sandy Mitchell Rare Earths project

The entity confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

AUTHORITY FOR RELEASE

This announcement has been approved for release to the ASX by the Board of Ark Mines Ltd.

FURTHER INFORMATION

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About Ark Mines Limited

Ark Mines is an ASX listed Australian mineral exploration company focused on developing its 100% owned projects located in Northern Queensland. The Company's exploration portfolio consists of four high quality projects.

The Flagship Sandy Mitchell Rare Earth and Heavy Mineral Project

- Ark owns 100% of the 147km² EPM 28013 'Sandy Mitchell' – an advanced Rare Earths Project in North Queensland with additional 138km² of sub blocks under application
- Measured Mineral Resource Estimate (MRE) of 71.8 Mt @ 1,732.7 ppm Monazite Equivalent calculated using a 700ppm MzEq lower cut-off grade (see Appendix A for Resource Report).
- Very high historical TREO grades* including high grade pan concentrates of:
- Project contains all critical Light Rare Earths as well as Heavy Rare Earths including dysprosium (Dy), terbium (Tb), holmium (Ho), erbium (Er), thulium (Tm) ytterbium (Yb), yttrium (Y) and excluding only Lutetium
- Up to 25% of the TREO is Nd and Pr (magnet metals)
- Rare Earths at 'Sandy Mitchell' are amenable to panning a concentrate; Planned low-cost, fast start up, straightforward beneficiation by gravity processing

Gunnawarra Nickel-Cobalt Project

- Comprised of 11 sub-blocks covering 36km²
- Borders Australian Mines Limited Sconi project - most advanced Co-Ni-Sc project in Australia
- Potential synergies with local processing facilities with export DSO Nickel/Cobalt partnership options

Mt Jesse Copper-Iron Project

- Project covers a tenure area of 12.4km² located ~25km west of Mt Garnet
- Centered on a copper rich magnetite skarn associated with porphyry style mineralization
- Three exposed historic iron formations
- Potential for near term production via toll treat and potential to direct ship

Pluton Porphyry Gold Project

- Located ~90km SW of Cairns near Mareeba, QLD covering 18km²
- Prospective for gold and associated base metals (Ag, Cu, Mo)
- Porphyry outcrop discovered during initial field inspection coincides with regional scale geophysical interpretation

Competent Persons Statement

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Roger Jackson, who is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australasian Institute of Geoscientists. Mr Jackson is a shareholder and director of the Company.

Mr Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Jackson consents to the inclusion of this information in the form and context in which it appears in this report. Mr Jackson confirms information in this market announcement is an accurate representation of the available data for the exploration areas being acquired.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Ark Mines' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Ark Mines has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Ark Mines makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.