



30 January 2015

QUARTERLY REPORT

FOR QUARTER ENDED 31 December 2014

(ARK: code AHK)

OPERATIONAL HIGHLIGHTS FOR THE QUARTER

- **Drilling program completed at the Golden Honcho Gold project**
- **24 out of the 26 holes were successful in intersecting gold (refer below)**
- **Ark continuing to build a story around Frances Creek Gold province (see figure 1)**
- **Mt Porter Gold resource presented to a local processor, discussions and testing are moving forward**
- **Ark preparing to further drill Golden Slips**

AHK remains focused on its strategy to mine high grade gold and earn revenue as soon as is practicable. The board will continue its current efforts to locate and secure other suitable projects in Australia that support the AHK strategy.

Golden Honcho Drilling Program Highlights:

- 26 inclined holes drilled with average depth 40m (see Table 1)
- 24 out of 26 inclined holes have intersected gold (see Figure 2) – as announced by Ark on 10 November 2014
- Best new intersections: 2m @ 21g/t; 2m @ 11.9g/t; 2m @ 10.5g/t; and 3m @ 7.5g/t with 21 intersections over 1m over 5g/t
- Best previous intersections (see Table 2): 5m @ 19.11g/t; 2m @ 13.29g/t; 2m @ 11.61g/t; 3m @ 10.96g/t and 3m @ 10.66 g/t with 9 intersections greater than 1m over 5g/t
- The latest drill results show similar grades and widths to costeaning work
- Extended the strike from previous drilling programs by some 60m (from 200m)
- Deeper holes have determined the oxide zone to reach down to a vertical depth of between 40 and 50m, which is deeper than expected (see Figures 3, 4 and 5)

Frances Creek Project Highlights:

- Golden Slips prospect is only 1km NNE from Golden Honcho prospect with 5 other identified gold exposed reefs within a 2km zone, Golden Amigo, Golden Austerian, Golden Senorita, Golden Gulf and Golden Bandito (see Figure 6). All within the Ark tenement
- Sub Vertical quartz veins and adjacent gold bearing alteration zones (see Figures 3, 4 and 5) outcropping on top of steep ridge crests are amenable to simple, low cost, open pit mining
- Prospects 20km from a gold plant with current capacity to process oxide gold
- Over 2,400 metres of strike length at Frances Creek (comprising gold exposed reefs) with only 390 metres drilled to date (see Table 2)
- Close to Ark's Mt Porter 34,200oz Au JORC Resource and Pine Creek township (This has not materially changed)

Immediate Plans:

- Undertake desk work to bring Golden Honcho prospect to JORC compliant mineral resource
- Assay best mineralised intercept pulps from October 2014 Golden Honcho drilling program for extra element suites (Cu, Pb, Zn, Ag, As, Bi, S and Mn)
- Complete study of historical data and geological information at Golden Slips – excellent gold intercepts previously identified (see Table 2) including: 4m @ 47.54g/t; 2m @ 10.07g/t and 2m @ 9.92g/t
- Design and undertake an RC program for Golden Slips prospect to infill and extend the strike (see Table 3 and Figure 7)
- Continue discussions with local gold plant to toll treat ore from Mt. Porter and Frances Creek (Refer to Mt Porter resource below)

Mt Porter

The gold mineralisation at Mt. Porter was extensively explored by Pine Creek Goldfields Ltd (PCG), a subsidiary of Renison Goldfields Consolidated Ltd (RGC), between 1988 and 1994. Exploration by RGC/PCG at Mt. Porter included a total of 223 drill holes.

The final phase of PCG's exploration at Mt. Porter (46 holes) concentrated on the "10400 Zone" (see cross section below for 10450 N) where earlier drilling had identified a coherent zone of relatively high grade (3-4 g/t Au) gold mineralisation at shallow depths, less than 70 metres from the surface.

PCG completed ore body modeling of Mt. Porter early in 1994. The estimated global resources (JORC 1999) were:

Cut-off 1.5 g/t Au	240,000-250,000 t @ 3.6-3.8 g/t Au
Cut-off 1.7 g/t Au	215,000 t @ 3.9 g/t Au
Cut-off 2.0 g/t Au	176,000 t @ 4.4 g/t Au.

Between 1995 and 1997, an additional 14 drill holes, some as deep as 810 metres (600 metres vertical), were completed by Homestake Gold of Australia Ltd (Homestake) under a farm-in arrangement with RGC. Homestake explored for major new zones of mineralisation over a kilometre long section of the Mt. Porter mineralised trend, mainly to the north of the 10400 Zone.

In 2003, Arafura Resources Ltd (Arafura) completed a program of 7 inclined core holes totalling 417.5 metres into the 10400 Zone to confirm the continuity of the highest grade gold mineralisation. These holes all intersected medium to high grade quartz veins outcropping on ridge crests which are amenable to simple low cost open pit mining. The results showed similar grades and widths to the surface sampling.

In early 2004, an updated resource estimate was completed for Arafura by Reseval Pty Ltd. Published Identified Resources for the Mt. Porter 10400 Zone deposit, calculated in compliance with the requirements of the JORC Code, now stand at:

	Cut-off 0.5 g/t Au		Cut-off 1.7 g/t
Indicated Resources	694,000 t @ 2.0 g/t Au	Indicated Resources	300,000 t @ 3.1 g/t Au
Inferred Resources	184,000 t @ 1.55 g/t Au	Inferred Resources	55,000 t @ 2.6 g/t Au
TOTAL RESOURCES	878,000 t @ 1.9 g/t Au	TOTAL RESOURCES	355,000 t @ 3.0 g/t Au

In 2005, a review by Arafura of the geological model for the Mount Porter 10400 Zone gold deposit resulted in the identification of two small targets (“NW” and “SE”) which had potential to host minor additional gold resources which could conceivably be extracted at the same time as planned open cut mining of the 10400 Zone resources. Drilling commenced in late-2006 to test these targets but the program was abandoned prematurely after drilling equipment was lost in the fourth hole of the planned 11 hole program. Importantly, the westernmost hole in this program intersected a previously unknown zone of gold mineralisation (“248 Zone”) west of and deeper than the Identified Resources in the 10400 Zone (Goulevitch, 2007).

In 2006, Arafura was granted a mineral lease (ML 23839) over the Mount Porter deposit and in early 2007, in accordance with the requirements of the *NT Environmental Assessment Act 1994*, completed a Public Environmental Report (PER) in respect of mining the existing gold resource and processing off-site (MBS Environmental, 2006, 2007). The PER was formally accepted by the NT Government on 19 March 2007 and Commonwealth Government approval of the proposed open-cut development, under the provisions of the *Environmental Protection and Biodiversity Conservation Act 1999*, was issued in June 2007.

The Mt Porter Deposit features;

- A JORC resource of 34,200 oz Au comprising 355,000t @ 3.0 g/t Au (Mt. Porter Resource)
- Resource expandable, with well defined targets
- Shallow and conducive to open cut mining
- Located near Pine Creek, and proximal to working gold mills
- Environmental approval issued by the Northern Territory and Australian Governments (2007)
- Agreement with the Northern Land Council for mining operations (2004)
- Granted Mining Lease (ML 23839)
- Cash Positive Mining Case

The Mt Porter and Frances Creek Project Results as originally reported by Arafura Resources were first announced by Ark on 15 January 2013. Such information was prepared and first disclosed under the JORC Code 2004 by Arafura Resources in its announcement of 27 August 2004. It has not been updated since to comply with the



JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

BABINDA

LOCAL TO THE MAJOR POLY METALLICS

- **Previous successful Drill results over a Prominent gravity and Magnetic High (see Figure 8)**

Rationale

Babinda Project has returned promising base metal intercepts at shallow depths from Arks previous drill programs. The Babinda project is 20 kilometres from Nymagee and South of the Cobar Mining field. Babinda is markedly similar to the Hera and Nymagee Polymetallic Mines developed by YTC Resources.

In late 2011 a 600m RC program was undertaken at Babinda and was designed to test the gravity high that AHK surveyed in June 2011. The Gravity anomaly lies directly in the centre of a large oval-shaped magnetic anomaly.

The shallow RC holes, which have shown “large surface Mineralised Halos” indicate that there is potential for higher grade results at depth, and importantly, additional targets near the Lord Dudley Mine. The drill results confirm that the gravity anomaly correlates with the drill results (see Figure 9).

It is therefore important to understand the full extent of the Lord Dudley Gravity anomaly, so a gravity ground crew will be required initially to close out the anomaly. Further to this 5, 120m RC drill holes will be drilled across the anomaly to determine the geochemical signature similar to Elaine’s signature (refer to the Gravity map). From these results Ark can then proceed to drill a deep diamond hole into the target at both Lord Dudley and Elaine. It is proposed, but not limited to, drill a 400m diamond hole in each target.

Figure 1 – Mt. Porter and Frances Creek Project Location

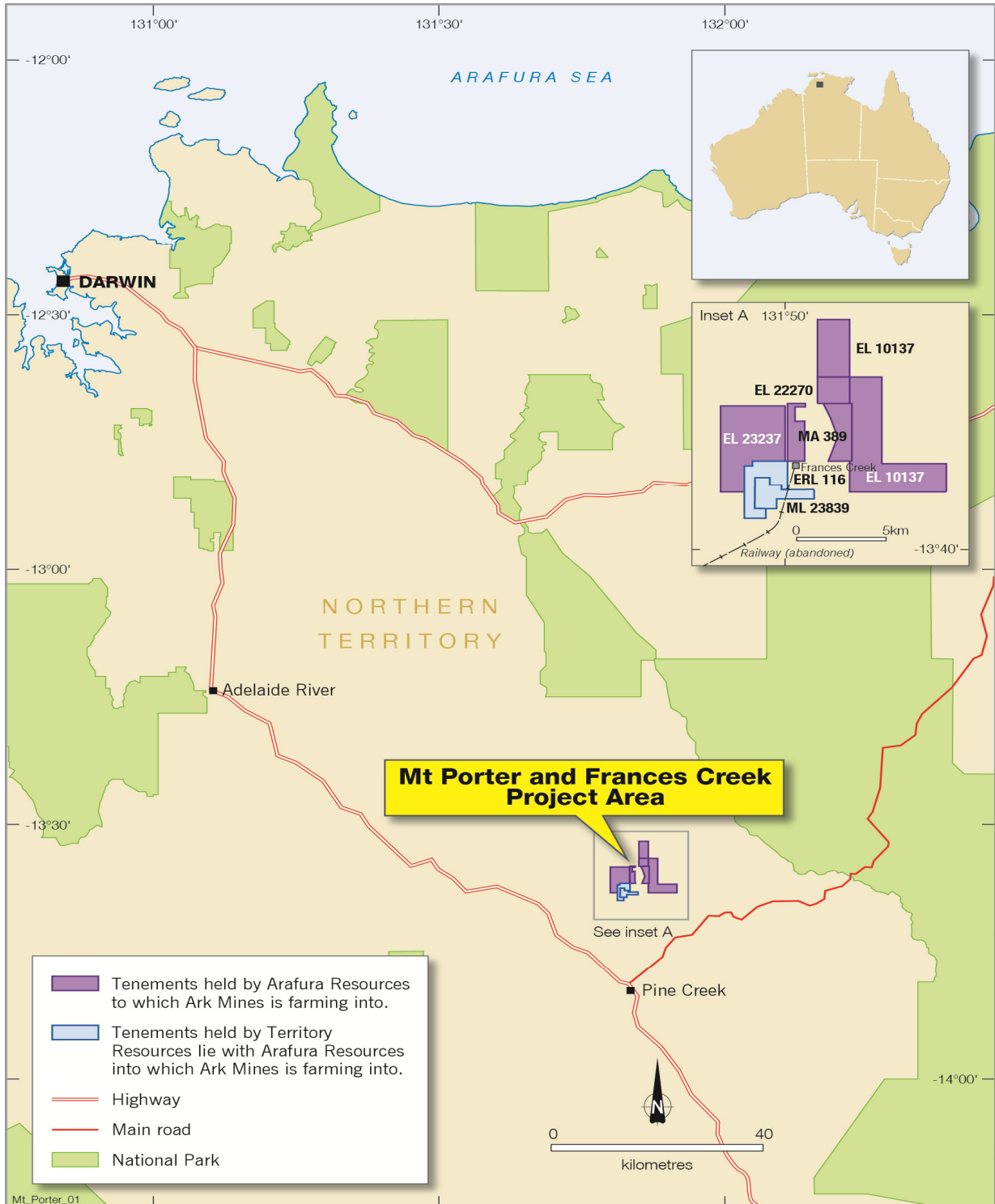


Table 1 – Golden Honcho Prospect Drill Results (Not True Thickness) (refer to figure 5 for drill locations)

Table 1 – Results of Golden Honcho Drilling Program											
Hole ID	Easting GDA94	Northing GDA94	RL	Azim mag	Azim True	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
FCRC054	809562	8493803	190	275	278.5	-57	42	19	21	2	1.84
FCRC055	809536	8493732	198	267.5	271	-57	42	6	8	2	0.14
								28	29	1	0.35
FCRC056	809537	8493732	198	266.5	270	-70	36	25	28	3	0.69
FCRC057	809543	8493746	197	266.5	270	-57	30	23	24	1	7.17
FCRC058	809544	8493746	197	266.5	270	-70	54	13	14	1	1.58
								47	50	3	5.69
								<i>incl. 48</i>	49	1	12.0
FCRC059	809562	8493816	198	270	273.5	-57	24	5	6	1	1.07
								11	14	3	2.27
								<i>incl. 13</i>	14	1	5.23
FCRC060	809574	8493813	197	278	281.5	-70	72	67	68	1	0.11
FCRC061	809569	8493902	246	262	265.5	-57	24	8	14	6	0.52
FCRC062	809570	8493902	246	262	265.5	-70	30	0	3	3	1.60
								<i>incl. 0</i>	1	1	3.04
								19	20	1	0.91
FCRC063	809569	8493887	240	264.5	268	-57	18	6	8	2	6.63
								<i>incl. 6</i>	7	1	11.2
FCRC064	809570	8493887	240	264.5	268	-70	30	12	17	5	5.61
								<i>incl. 13</i>	15	2	11.9
FCRC065	809572	8493870	233	262.5	266	-57	18	7	10	3	6.84
								<i>incl. 7</i>	8	1	14.9
FCRC066	809573	8493870	233	262.5	266	-70	30	12	14	2	2.51
FCRC067	809570	8493852	222	262	265.5	-57	24	7	9	2	1.32

FCRC068	809571	8493852	222	262	265.5	-70	30	12	15	3	5.16
								<i>incl. 12</i>	13	1	12.1
FCRC069	809574	8493852	222	263	266.5	-70	54	22	24	2	21.0
FCRC070	809567	8493832	209	271	274.5	-57	30	8	13	5	4.87
								<i>incl. 9</i>	11	2	10.5
FCRC071	809582	8493829	209	292	295.5	-70	66	53	56	3	7.85
								<i>incl. 54</i>	55	1	12.0
FCRC072	809549	8493752	195	266.5	270	-57	42	11	12	1	2.74
								25	26	1	6.50
FCRC073	809550	8493752	195	266.5	270	-70	72	17	19	2	0.17
								50	52	2	3.04
								55	61	6	2.69
								<i>incl. 55</i>	56	1	5.33
FCRC074	809576	8493799	190	282	285.5	-70	66	60	61	1	0.16
FCRC075	809556	8493765	193	265	268.5	-57	36	6	7	1	1.21
								13	16	3	1.95
FCRC076	809557	8493765	193	265	268.5	-70	60	6	10	4	4.12
								<i>incl. 7</i>	8	1	10.6
								37	38	1	1.47
FCRC077	809560	8493778	192	284.5	288	-57	24	9	12	3	5.59
								<i>incl. 10</i>	11	1	14.4
FCRC078	809561	8493777	192	284.5	288	-70	24	19	21	2	0.42
FCRC079	809572	8493770	191	282	285.5	-70	72				
Total	26	holes					1050				

Figure 2 – Golden Honcho Prospect Drill Traces

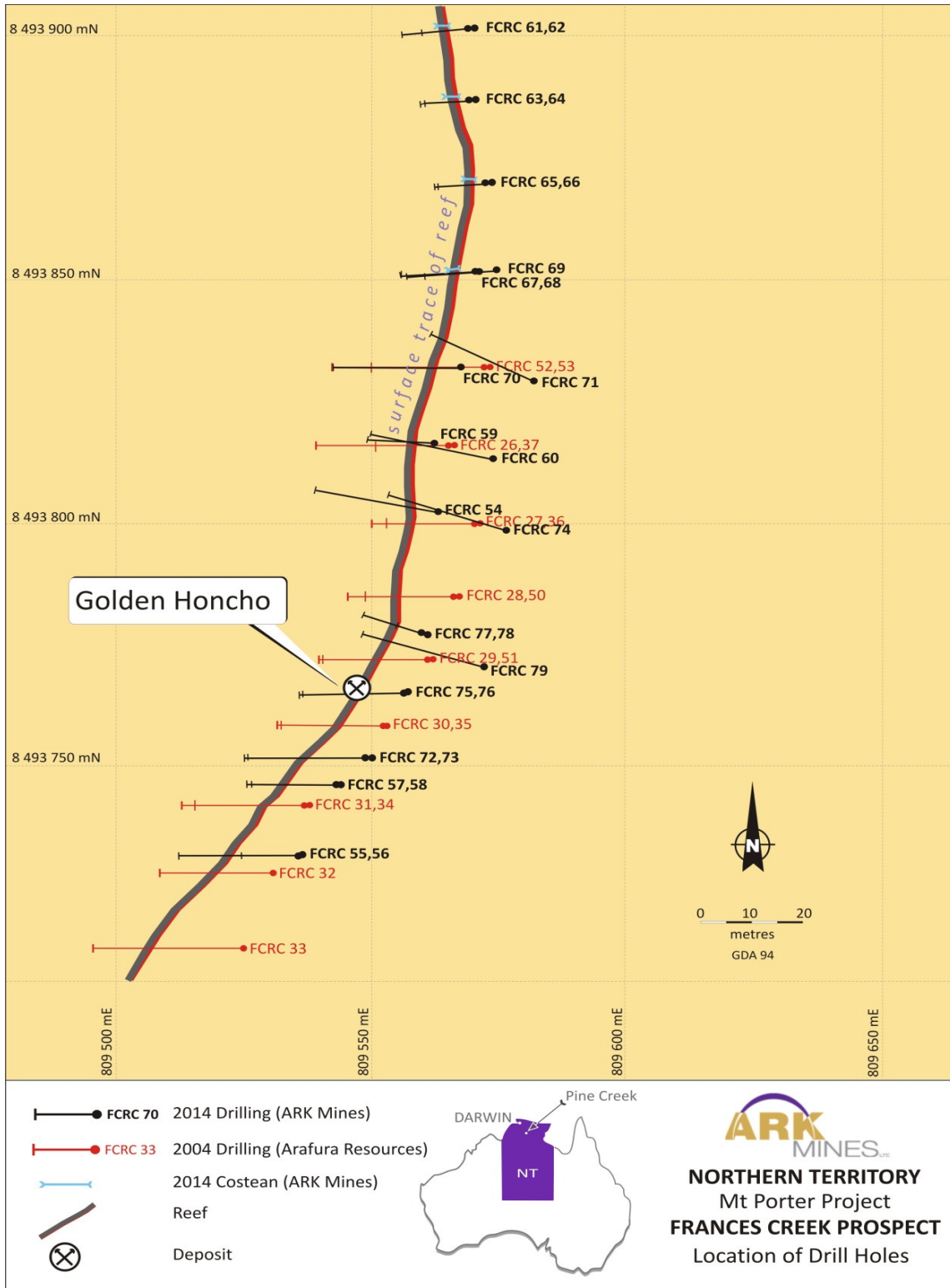


Figure 3 – Golden Honcho Prospect Cross Section

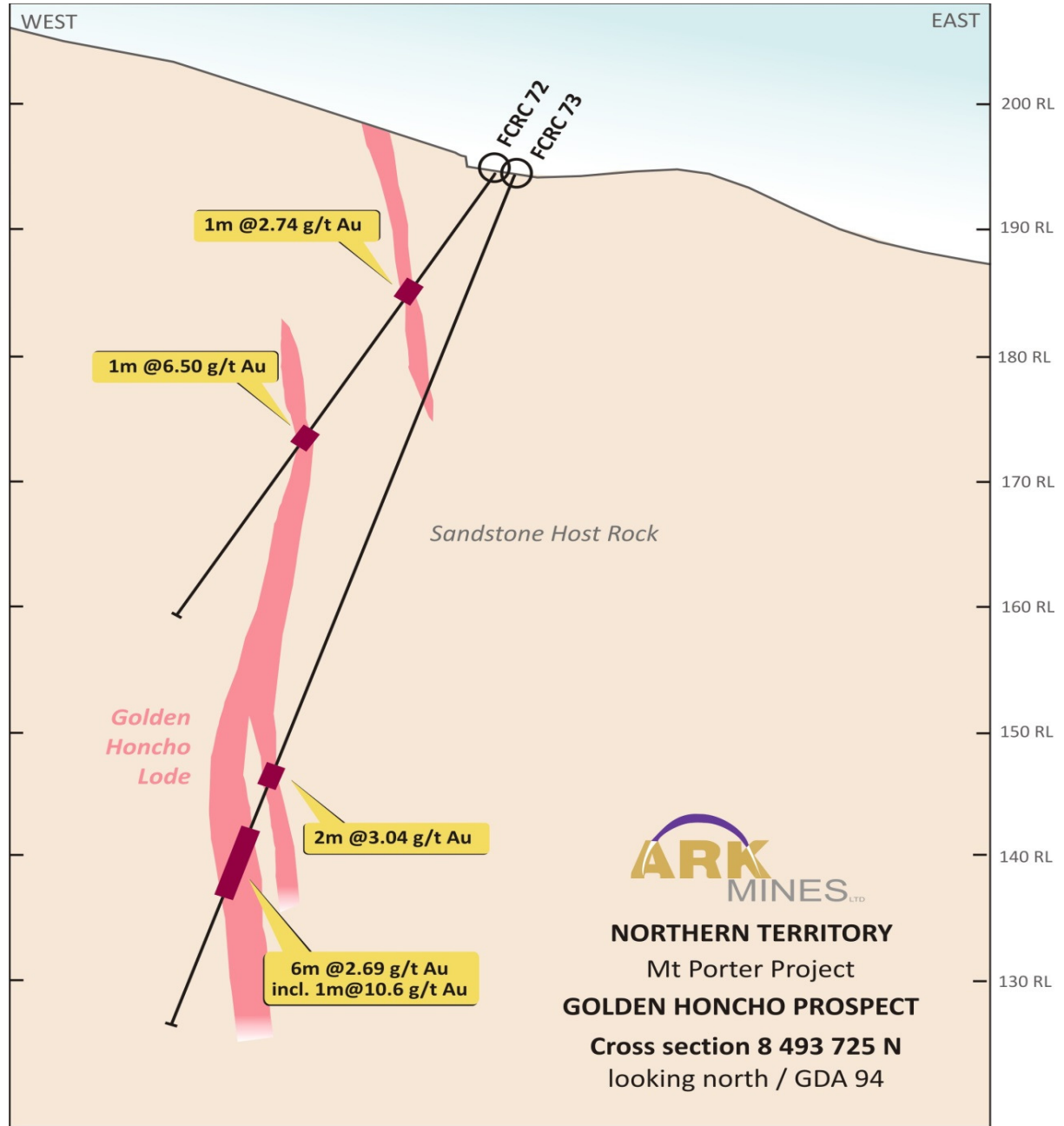


Figure 4 – Golden Honcho Prospect Cross Section

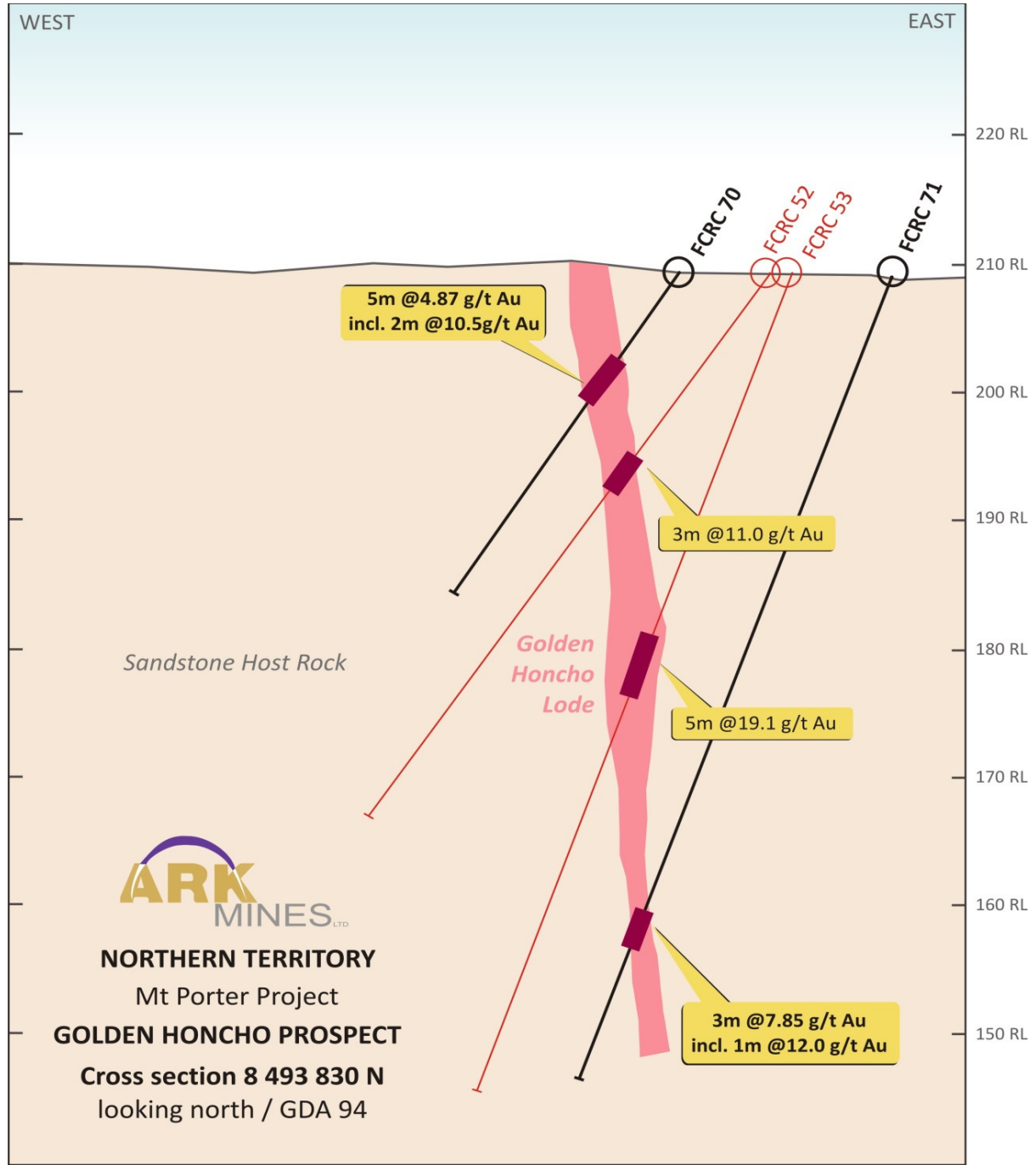


Figure 5 – Golden Honcho Prospect Cross Section

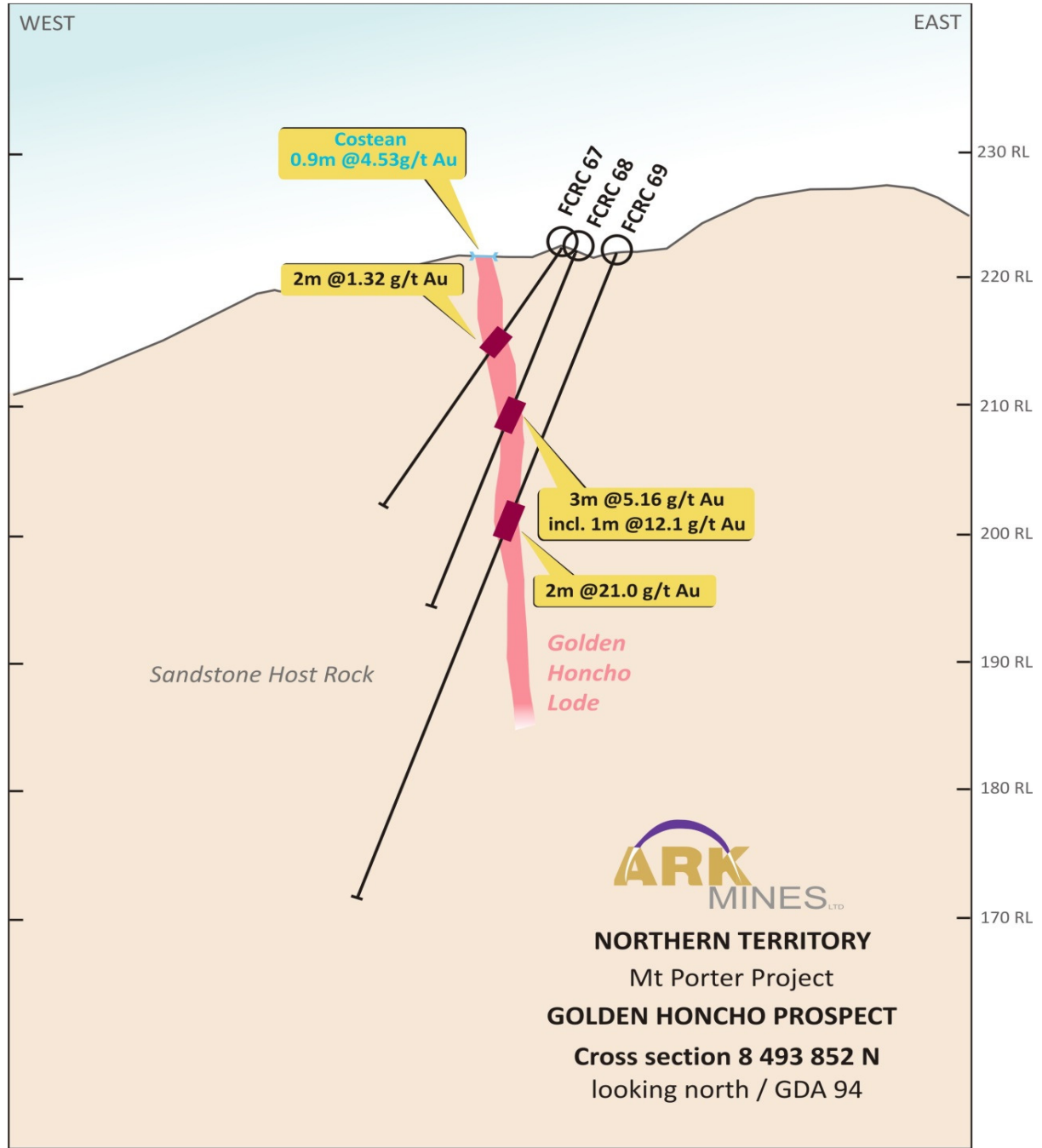


Figure 6 Golden Honcho Prospect Location Relative to Other Frances Creek Prospects

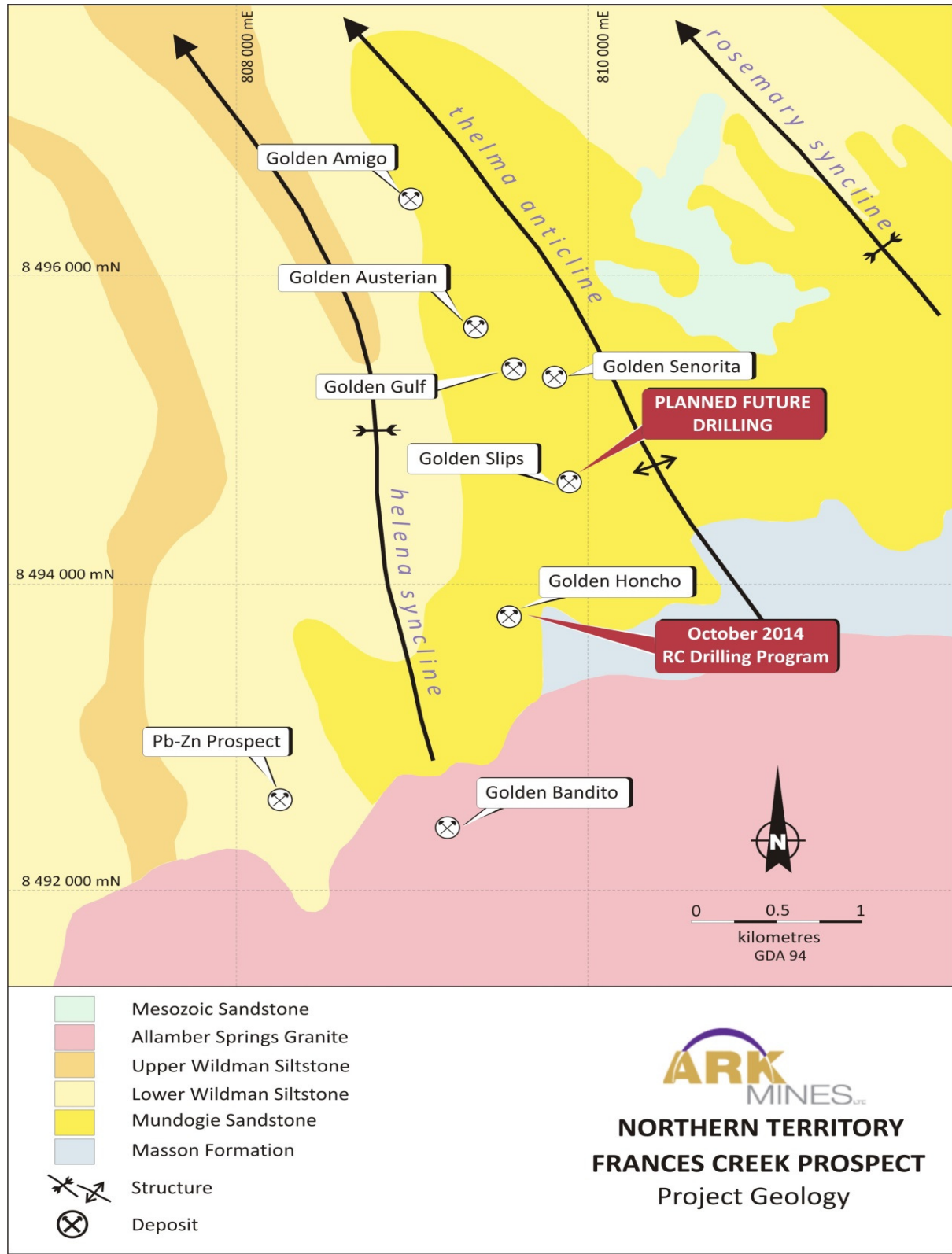


Table 2 Previous Drill Intersection Highlights at Frances Creek (Not True Thickness)(as previously announced by Arafura)

Hole Number	From m	To m	Interval m	Au grams	Prospect
FCRC015	16	17	1	1.02	Golden Slips
FCRC016	6	8	2	2.47	Golden Slips
FCRC017	15	19	4	47.54	Golden Slips
FCRC017	21	23	2	1.68	Golden Slips
FCRC018	27	28	1	3.3	Golden Slips
FCRC019	27	28	1	1.47	Golden Slips
FCRC020	27	28	1	2.88	Golden Slips
FCRC023	33	34	1	10.32	Golden Slips
FCRC024	32	34	2	9.92	Golden Slips
FCRC035	32	33	1	5.07	Golden Slips
FCRC035	45	47	2	1.44	Golden Slips
FCRC037	33	35	2	10.07	Golden Slips
FCRC038	3	4	1	1.38	Golden Slips
FCRC040	10	12	2	1.67	Golden Slips
FCRC041	12	14	2	6.39	Golden Slips
FCRC042	13	14	1	2.58	Golden Slips
FCRC044	17	18	1	3.33	Golden Slips
FCRC045	1	3	2	1.56	Golden Slips
FCRC045	8	11	3	1.78	Golden Slips
FCRC045	14	15	1	3.75	Golden Slips
FCRC046	3	4	1	1.07	Golden Slips
FCRC046	7	8	1	2.06	Golden Slips
FCRC047	30	31	1	2.31	Golden Slips
FCRC048	46	48	2	2.09	Golden Slips
FCRC026	19	21	2	6.51	Golden Honcho
FCRC027	17	19	2	3.88	Golden Honcho
FCRC027	25	27	2	11.61	Golden Honcho
FCRC028	14	19	5	4.44	Golden Honcho
FCRC029	9	10	1	1.38	Golden Honcho
FCRC029	14	17	3	10.66	Golden Honcho
FCRC029	23	24	1	1.1	Golden Honcho
FCRC029	30	31	1	5.08	Golden Honcho
FCRC030	14	16	2	8.15	Golden Honcho
FCRC030	28	29	1	3.89	Golden Honcho
FCRC031	11	12	1	1.06	Golden Honcho
FCRC031	22	24	2	13.29	Golden Honcho
FCRC032	15	16	1	2.85	Golden Honcho
FCRC033	26	27	1	2.88	Golden Honcho
FCRC034	52	53	1	3.3	Golden Honcho
FCRC050	35	36	1	1.28	Golden Honcho
FCRC051	29	32	3	9.59	Golden Honcho
FCRC052	17	20	3	10.96	Golden Honcho
FCRC053	30	35	5	19.11	Golden Honcho

Table 3 Golden Slips Prospect Previous Drill Results (announced by Arafura)

Hole ID	Easting GDA94	Northing GDA94	RL	Azim mag	Azim True	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
FCRC015	809919	8494766	272	265.5	270	-55	39	16	17	1	1.02
FCRC016	809918	8494746	276	265.5	270	-55	33	6	8	2	2.48
FCRC017	809915	8494725	280	265.5	270	-55	30	15	19	4	47.5
								<i>incl. 16</i>	18	2	92.4
								<i>incl. 16</i>	17	1	144.0
								21	23	2	1.7
FCRC018	809911	8494706	283.5	265.5	270	-55	30	27	28	1	3.30
FCRC019	809906	8494687	284.2	265.5	270	-55	30	27	28	1	1.47
FCRC020	809900	8494668	284	265.5	270	-55	39	27	28	1	2.88
FCRC023	809897	8494609	285	265.5	270	-55	48	33	34	1	10.30
FCRC024	809899	8494589	283.9	265.5	270	-55	39	32	34	2	9.92
								<i>incl. 32</i>	33	1	18.0
FCRC035	809543	8493759	205.25	265.5	270	-70	60	32	33	1	5.07
								45	47	2	1.44
FCRC037	809566	8493819	207.5	265.5	270	-70	45	33	35	2	10.1
								<i>incl. 33</i>	34	1	15.8
FCRC038	809879	8494569	282.2	85.5	90	-70	27	3	4	1	1.38
FCRC040	809879	8494609	285	85.5	90	-70	22	10	12	2	1.67
FCRC041	809880	8494628	284.8	85.5	90	-70	22	12	14	2	6.40
								<i>incl. 13</i>	14	1	10.2
FCRC042	809880	8494649	284	85.5	90	-70	25	13	14	1	2.58

FCRC044	809887	8494687	284	85.5	90	-70	25	17	18	1	3.33
FCRC045	809893	8494706	282	85.5	90	-70	25	1	3	2	1.57
								8	11	3	1.78
								14	15	1	3.75
FCRC046	809901	8494788	270	85.5	90	-70	55	3	4	1	1.07
								7	8	1	2.06
FCRC047	809920	8494746	276	265.5	270	-70	55	30	31	1	2.31
FCRC048	809920	8494766	273	265.5	270	-70	55	46	48	2	2.09
Target Zones											
Yellow - 1.00-4.99 g/t Au intercept											
Orange - 5.00-9.99 g/t Au intercept											
Red - >10.0 g/t Au intercept											

Figure 7 Golden Slips Prospect Previous Drill Traces (as announced by Arafura)

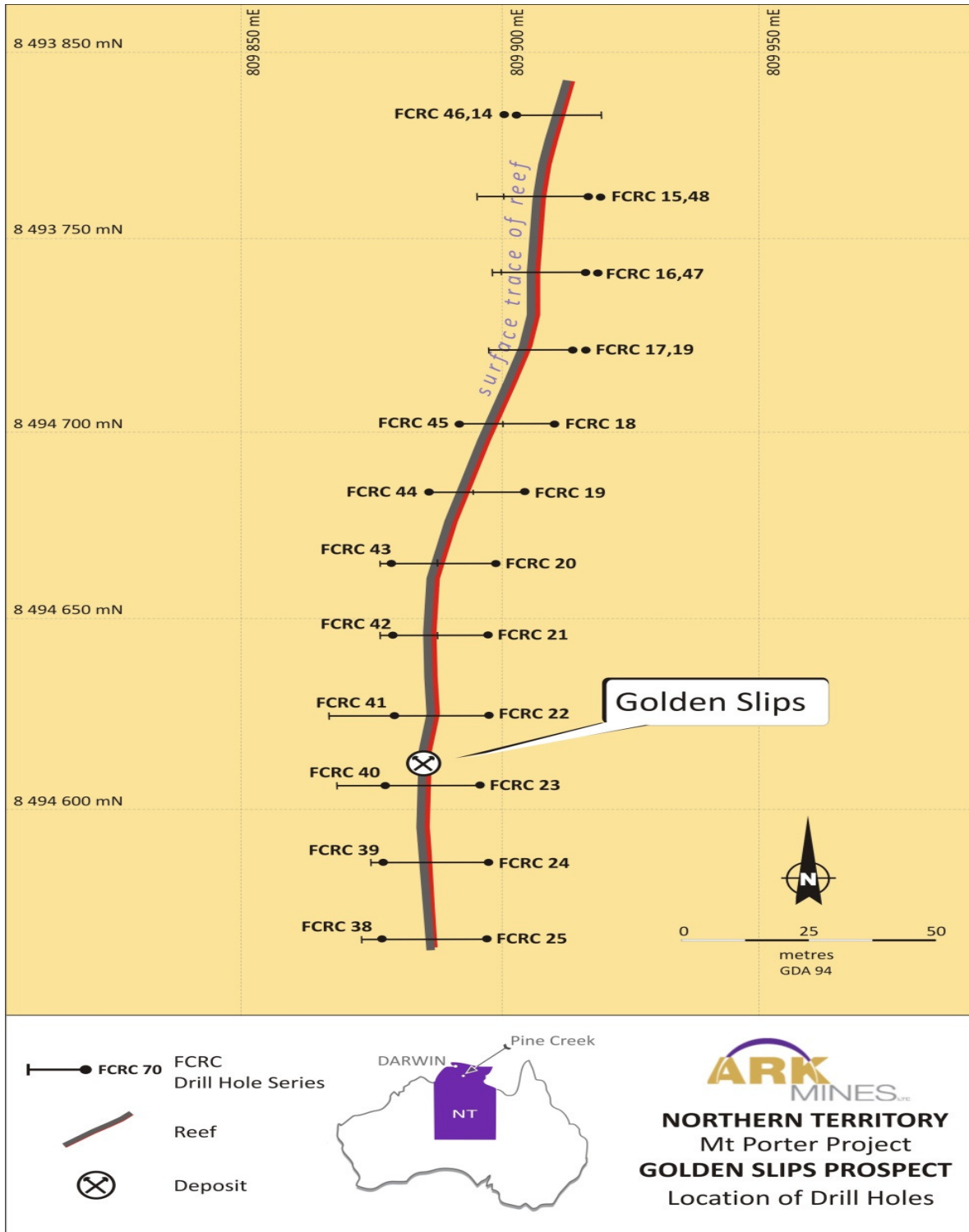
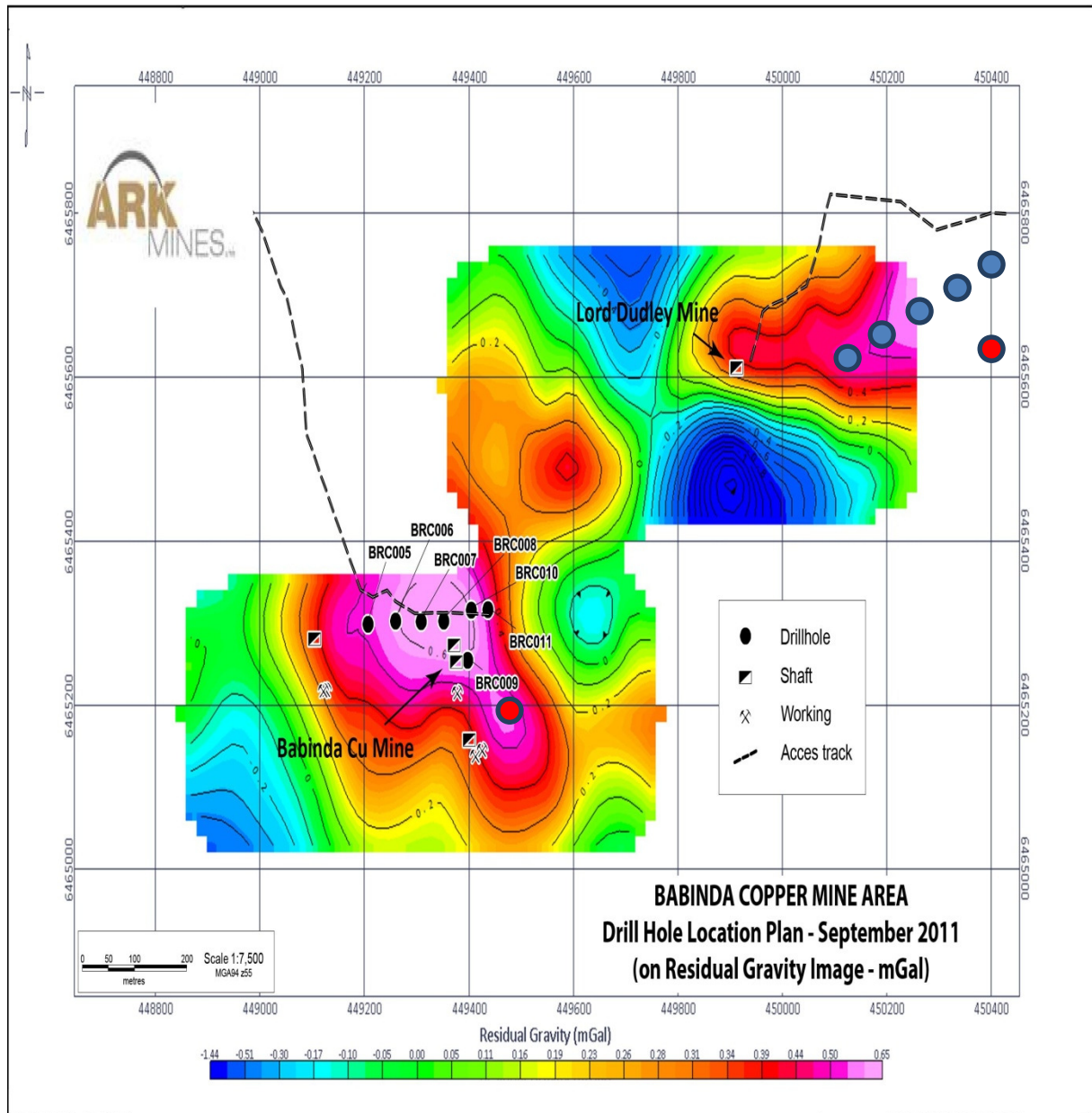
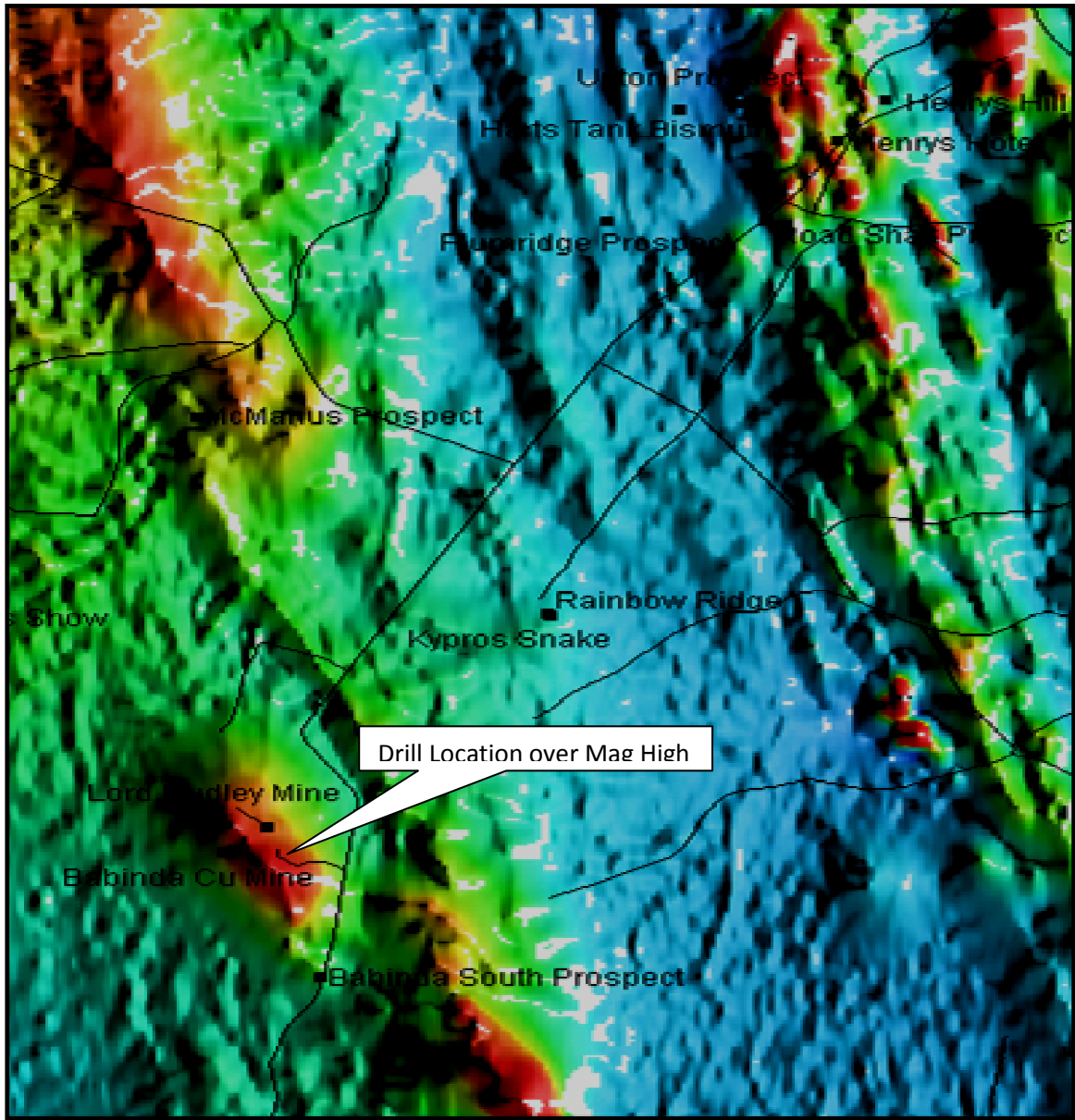


Figure 8 – Babinda Gravity map, and proposed drill holes



- Proposed 120m RC Holes
- Proposed 300m Diamond Holes

Figure 9 – Babinda Magnetic Anomaly





Schedule of Tenements

The Company's tenements as at the end of the quarter comprise:

Tenement	Location	Title Name	Interest
EL 7973	NSW	Babinda	100%
EL 6726	NSW	Nangerybone	100%
ML 22839	NT	Pine Creek	100%
EL 10137	NT	Frances Creek	Right to earn 70% or acquire 100% through option
EL 23237	NT	Pine Creek South	Right to earn 70% or acquire 100% through option
ELR116	NT	Mt Porter	Right to earn 70% or acquire 100% through option

Capital Raising

Ark is engaged in discussions to toll treat the NT gold resources referred to in this report and is awaiting the results of testing and analysis for that purpose.

Ark also intends to place shares to raise up to \$200,000 within the next thirty days to fund the additional tenement expenditure required to meet its further NT tenement earn-in obligations.

In addition Ark intends to raise capital through a rights and placement issue to support further expenditure on the Northern Territory and Lachlan Fold belt tenements in NSW, or other projects in respect of which Ark is currently in discussions. Ark's expectations of raising the required capital are supported by the Australian dollar value of gold, which has improved markedly over the last 2 months.



The information in this announcement that relates to Exploration Results, has been compiled by Roger Jackson BSc, Grad Dip Fin Man, 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. Resources and reserve calculations were provided by Runge Limited.