



Initial Metallurgical Results Support Viability of Mt. Porter Mining

Sydney, 12 May 2015: The Board of Ark Mines Ltd (**ASX: AHK**) is pleased to advise that initial results from the ongoing Mt Porter metallurgical test work are positive and support the economic viability of mining on the Mt. Porter Mining Lease 22389 in the Northern Territory. AHK awaits further results, expected very soon, at which time AHK will then be in a position to announce the next stage of project development.

Mt. Porter is a 34,200 Au ounces 2004 JORC resource that AHK is permitted to mine during the continuance of the 2013 Mining, Farmin and Joint Venture Agreement (**Farmin Agreement**) with Arafura Resources Ltd (ASX: ARU).

AHK will now move to conclude negotiations and arrangements with relevant stakeholders to mine and process AHK's Mt Porter gold resource, expected during the course of 2016.

To support the mining of Mt. Porter and related activities set out below, the AHK board has resolved to raise \$4,000,000.00 in new funding through a combination of a rights issue, placements and/or debt (subject to obtaining necessary shareholder approvals). AHK will now engage with interested persons with a view to securing new funding on terms satisfactory to the AHK board.

Continuing its planned emergence as a gold producer AHK:

- has engaged Independent Metallurgical Operations (**IMO**) to undertake gold recovery test work on Mt. Porter ore from representative core samples (**Mt. Porter Testing**). Final results from the Mt. Porter metallurgical test work should be available by the end of May. Initial results support the economic viability of mining Mt. Porter and final results will provide comfort as to the maximum recoveries that can be reasonably expected;
- has engaged CSA Global Pty Ltd to undertake a Whittle optimisation study of the Mt Porter deposit, to evaluate the economic viability of mining Mt. Porter based on preliminary results from IMO. Upon IMO providing definitive recovery results using a float and re-grind leach process, these results will be used in the Whittle model to estimate expected cash flows and profitability levels;
- has engaged a resource geologist to undertake a resource study of Golden Honcho and Golden Slips prospects at Frances Creek with a view to developing a 2012 JORC resource estimate. This work is expected to be completed within 4 weeks;
- is actively engaging with mill owners with a view to process the Mt. Porter ore;
- is actively engaged in acquiring other prospective mining leases in the Northern Territory with gold resources; and
- is currently finalising its plans for the next phase of work to be undertaken at Frances Creek pursuant to the Farmin Agreement through which AHK shall earn a 40% interest in relevant Arafura gold assets and then be in a position to elect to either spend further funds to earn a further 30% interest in such assets or to exercise an option to acquire 100% of those gold assets.



Note:

In early 2004, an updated resource estimate was completed for ARU 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 1.7 g/t
Indicated Resources	300,000 t @ 3.1 g/t Au
Inferred Resources	55,000 t @ 2.6 g/t Au
TOTAL RESOURCES	355,000 t @ 3.0 g/t Au
	34,000ozs

This estimate has not materially changed since publication.

About Ark Mines

Ark Mines Ltd (ASX: AHK) is a publicly listed company with Gold Tenements including Advanced Gold Mining Licences in Northern Territory and New South Wales. Ark's Exploration Licence (EL) in New South Wales (NSW) lies within the Lachlan Fold Belt. This area is the focus for significant Exploration in NSW and the epicentre of many major poly metallic and precious metal Mines.

FURTHER INFORMATION: Roger Jackson, Managing Director, Ark Mines Limited: +61400 408 550

The information in this announcement that relates to Exploration Results or Mineral Resources 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.