



Frances Creek Update

Sydney, 18 February 2016: Ark Mines Ltd (**ASX: AHK**) is pleased to announce recent mapping and rock chip sampling success, at its Frances Creek high grade gold prospect near Pine Creek, in the Northern Territory.

Frances Creek Highlights

- ✓ Sub-vertical quartz veins and adjacent gold-bearing alteration zones outcrop on top of steep ridge crests that are amenable to simple, low cost, open pit mining.
- ✓ The deposits are only 20km from a gold plant, with current capacity to process oxide gold.
- ✓ Additional exposed gold veins, within the Frances Creek project area, require drill testing.
- ✓ The deposits are close to AHK's Mount Porter (34,000oz gold) mineral resource and to Pine Creek township.
- ✓ Oxide down to 60m.
- ✓ Existing Haul road running from Frances Creek to the local Mill (directly past Mt Porter).

Results of Recent Work

Recent work has provided further extensions to known vein systems and delivered strong drill targets.

AHK Managing Director Roger Jackson said: "These results are exciting for Ark, as it takes us one step closer to get Frances Creek ready for mining".

Whilst the mapping undertaken by Ark to date has been limited, the results have been impressive, in the context of extending the known gold vein exposure.

AHK recently undertook a two-day reconnaissance mapping program focussed on gold mineralisation near to known gold veins at Frances Creek. The mapping was completed in the areas around Golden Honcho, Golden Seniorita and Golden Gulf prospects within the Francis Creek exploration lease.

The mapping unveiled numerous new occurrences of quartz veins. Furthermore, the study extended known veins and structures and three of the most promising locations were assigned as new prospects: Golden Honcho North, Golden Dias and Golden Sierra.

At Golden Honcho North, quartz veining and stock work – type mineralisation was recorded in the Golden Honcho structural corridor, for a further 600m to the north of the existing mineralisation. Two relatively thin 0.2- 0.3m veins returned 12.3 and 0,88 ppm Au. This prospect is thought to be of high priority for further exploration including rock chip geochemistry and drill testing (refer to Figure 1).



Further to the north across a valley, a series of prominent, up to 1 m thick veins was recorded on a plateau somewhat parallel to Golden Slips, previously named Golden Dias. The veins at Golden Dias, arching from the meridional to north eastern strike were traced for a distance of over 200 m with individual veins being 80-120 m long. One of the northernmost 0.3 m-thick veins returned 0.77 and 0.11 ppm Au. This prospect, demonstrating a significant-scale, gold-bearing vein system, is potentially related to the same Golden Honcho structural corridor and warrants follow-up exploration work (refer to Figure 1).

The Golden Sierra prospect is located on the next ridge to the east of the Golden Sips northern extension. A series of quartz veins was documented; the major 0.4m-thick vein outcropping for a 25m distance along a road returned 0.32ppm Au (refer to Figure 1). This area also warrants a follow up work.

Immediate Plans

- ✓ Undertake further shallow RC drilling directed at the above mentioned targets.
- ✓ Undertake further mapping and rock chip testing further north.
- ✓ Complete mineral resource estimations for the Golden Honcho and Golden Slips prospects, reportable under the JORC Code (2012).
- ✓ Undertake feasibility study and, if positive apply for mining lease/s, and other necessary permitting, with a view to commencing operations at the Frances Creek gold prospects.

Frances Creek Drill intercept highlights

- ✓ AHK 2015 intersections (*refer to Ark Announcement – 29 October 2015*):
 - 3m @ 13.41 g/t Au, including 1m @ 30.8 g/t Au;
 - 2m @ 12.9g/t Au, including 1m @14.5 g/t Au;
 - 2m @ 6.65g/t Au, including 1m @11.7 g/t Au; and
 - 1m @ 6.42g/t Au.
- ✓ AHK 2014 intersections (*refer to Ark Announcement – 29 October 2015*):
 - 2m @ 21g/t Au;
 - 2m @ 11.9g/t Au;
 - 2m @ 10.5g/t Au;
 - 3m @7.5g/t Au; and
 - with 21 other intersections over 1m over 5g/t Au.
- ✓ Arafura 2004 (ARU) intersections (*refer to Ark Announcement – 29 October 2015*):
 - 5m @ 19.11g/t Au;
 - 4m @ 47.54g/t Au;
 - 2m @ 10.07g/t Au;
 - 2m @ 13.29g/t Au;
 - 2m@ 11.61g/t Au;

- 3m @ 10.96g/t Au;
- 3m @ 10.66 g/t Au;
- 2m @ 21g/t Au;
- 2m @ 11.9g/t Au;
- 2m @ 10.5g/t Au;
- 2m @9.92g/t Au;
- 3m @7.5g/t Au; and
- with 30 other intersections over 1m over 5g/t Au.



Figure 1 - Series of concordant and discordant quartz veins in a sandstone sequence, Golden Honcho North, looking east

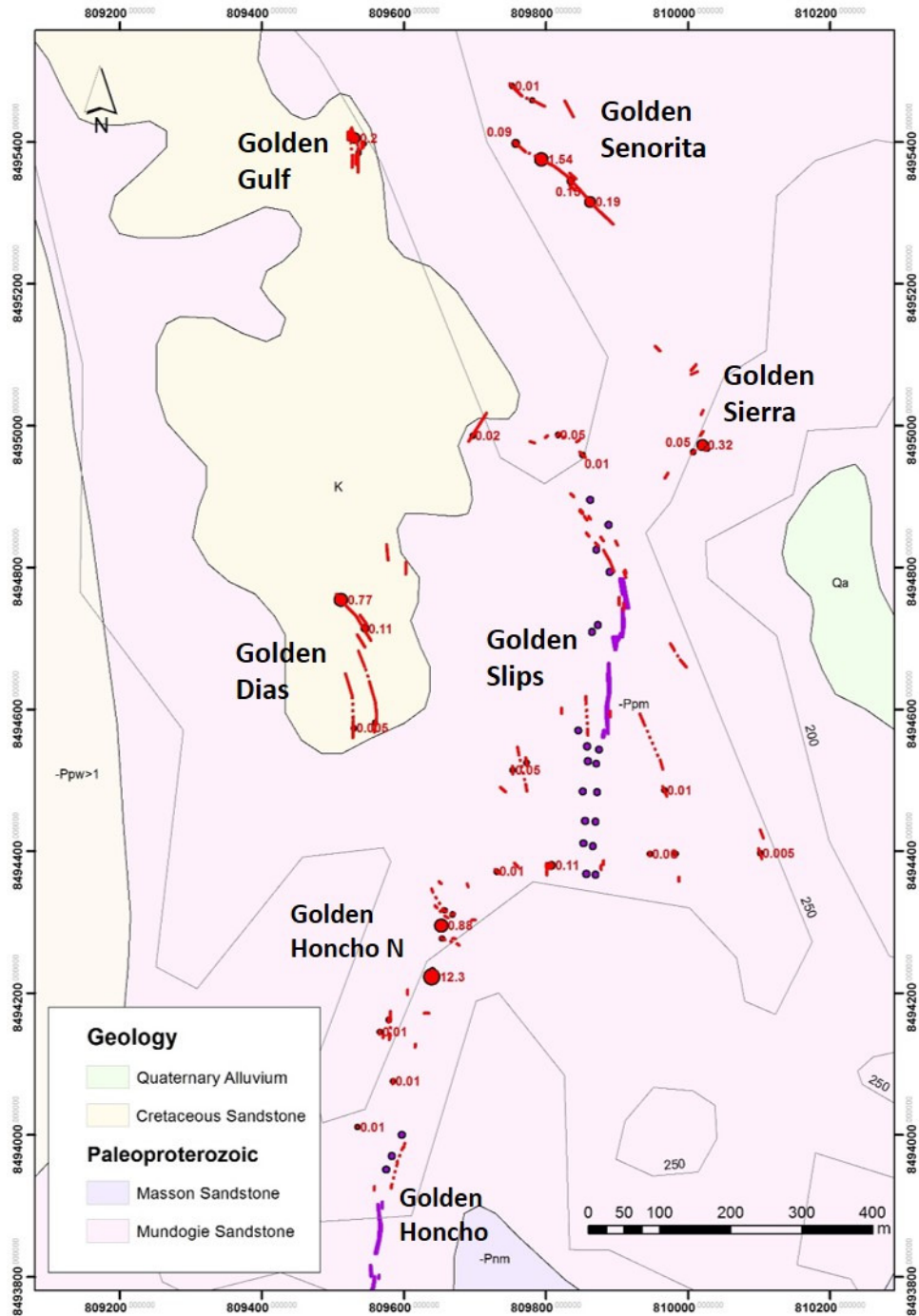


Figure 2 – Locations of rock chip samples and mapped exposure gold bearing veins

Geological map showing the existing mineralisation zones (purple polygons), drill holes completed in 2015 (purple circles) and mapped quartz veins, including outcropped (solid red lines) and inferred (dashed red lines) veins. Red bubbles show locations and gold concentrations in grab samples of quartz.

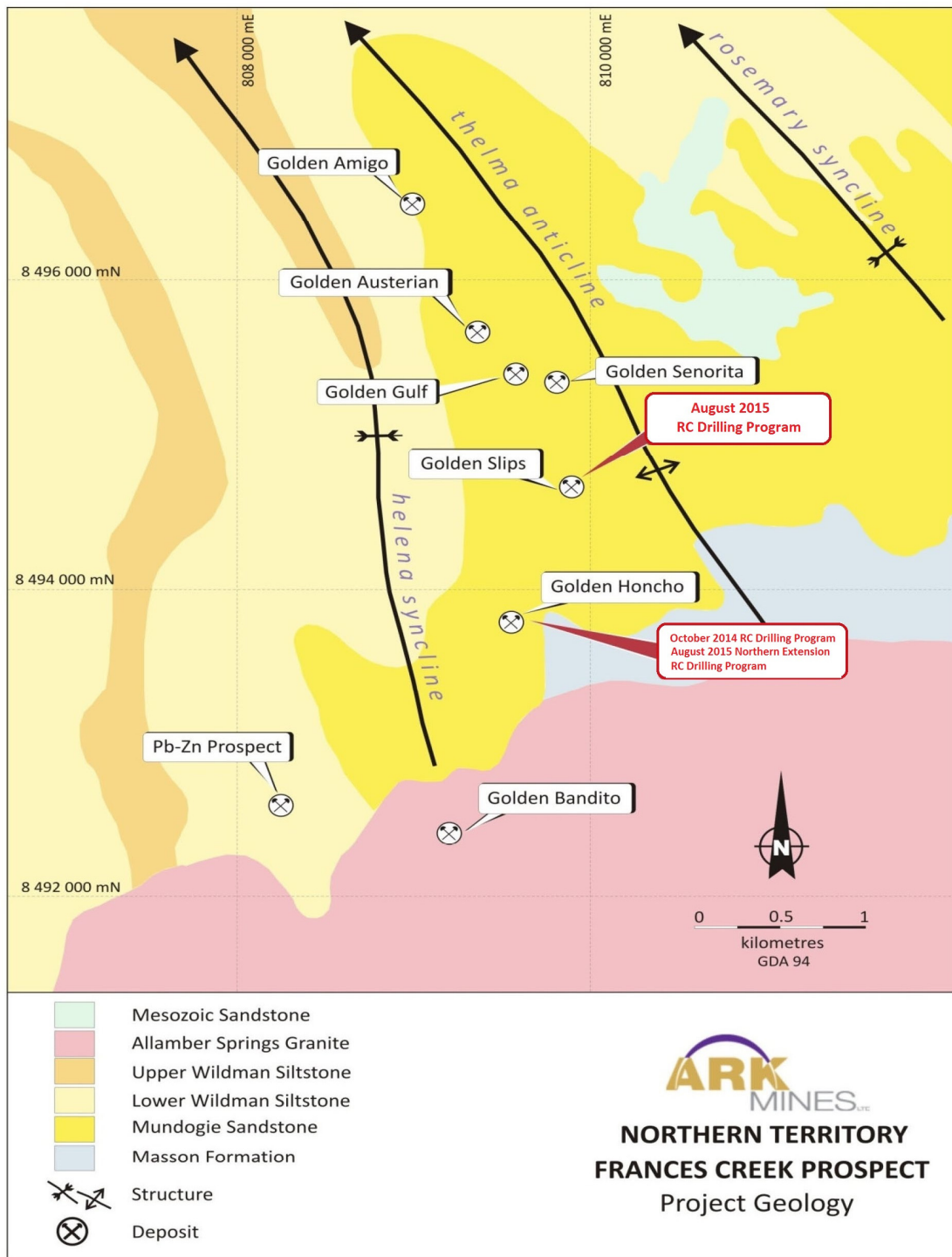


Figure 3 Golden Honcho Prospect Location Relative to Other Frances Creek Prospect



About Ark Mines

ARK is a Sydney based company now readying itself for near term gold production, from assets in the Northern Territory. The company's aim is to establish itself as a medium level gold producer producing gold from tenements in the Northern Territory, developing prospective tenements in the Northern Territory and New South Wales and to acquire other prospective gold projects in Australia.

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

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.