



31 October 2016

QUARTERLY REPORT

FOR Quarter ended 30 September 2016

(ARK: code AHK)

OPERATIONAL HIGHLIGHTS FOR THE QUARTER

- **Ark receives final approval and MMP for the Mt Porter Gold Mine**
- **Ark secures funding for Mt Porter**
- **Ark finds new Mt Porter anticline gold mining targets**
- **Ark completes Mt Porter anticline water monitoring bores**
- **Ark commences Glencoe Mining studies**

Mt Porter MMP Approval

Ark completed an extensive and exhaustive Environmental review on Mt Porter. After several requests for further revisions , including pit backfilling and stringent waste management provisions, by the Department of Mines and Energy Northern Territory (**DME**), Ark provided a very comprehensive and detailed Mine plan for the Mt Porter project. The MMP approval authorises AHK to commence mining at Mt. Porter, located on ML23839, which AHK recently purchased from Arafura Resources Ltd. Mining and processing of Mt. Porter ore is scheduled to be completed over a nine-month period.

The Mt. Porter gold mining project will encompass excavation of an open pit to access gold ore through blasting and excavation. Extracted material will be stored on a ROM pad adjacent to the pit before being loaded onto trucks and transported to the Union Reefs gravity and carbon in leach plant (located approximately 15km south west of Mt. Porter), owned and operated by Newmarket Gold Inc., for crushing and processing.

AHK plans to mine and haul a total of up to 500,000 tons of Mt. Porter ore and subject to recoveries being in line with metallurgical studies (*see AHK's previous announcement dated 9/6/15*), expects to process approximately 25,000 ounces of gold Dore.



Mt Porter anticline gold mining targets

Ark during the quarter re assessed two new potential gold mining sources within 400m north and south of its near to production, Mt Porter gold mine. From desktop and field studies, AHK has recognised two sites within ML23839, which have strong gold drill intercepts and sit along strike from Mt. Porter on the Mt. Porter Anticline. The zones have been named Mt. Porter North and Mt. Porter South.

AHK undertook an historical review of previous work undertaken by RGC Limited and Homestake Gold Australia on ML23839 and followed this up with two site visits to review drill collars and outcropping.

The similarities between the two new zones and the existing Mt. Porter resource suggest there may be potential for developing a similar resource for the north and the south. Geological mapping has shown the Mt. Porter anticline to be a moderately tight anticline. The axis strikes N - NNW and the plunge is to the north. The anticline is disrupted by numerous N-NW striking faults with displacements of 10s of metres.

Mt. Porter North Highlights:

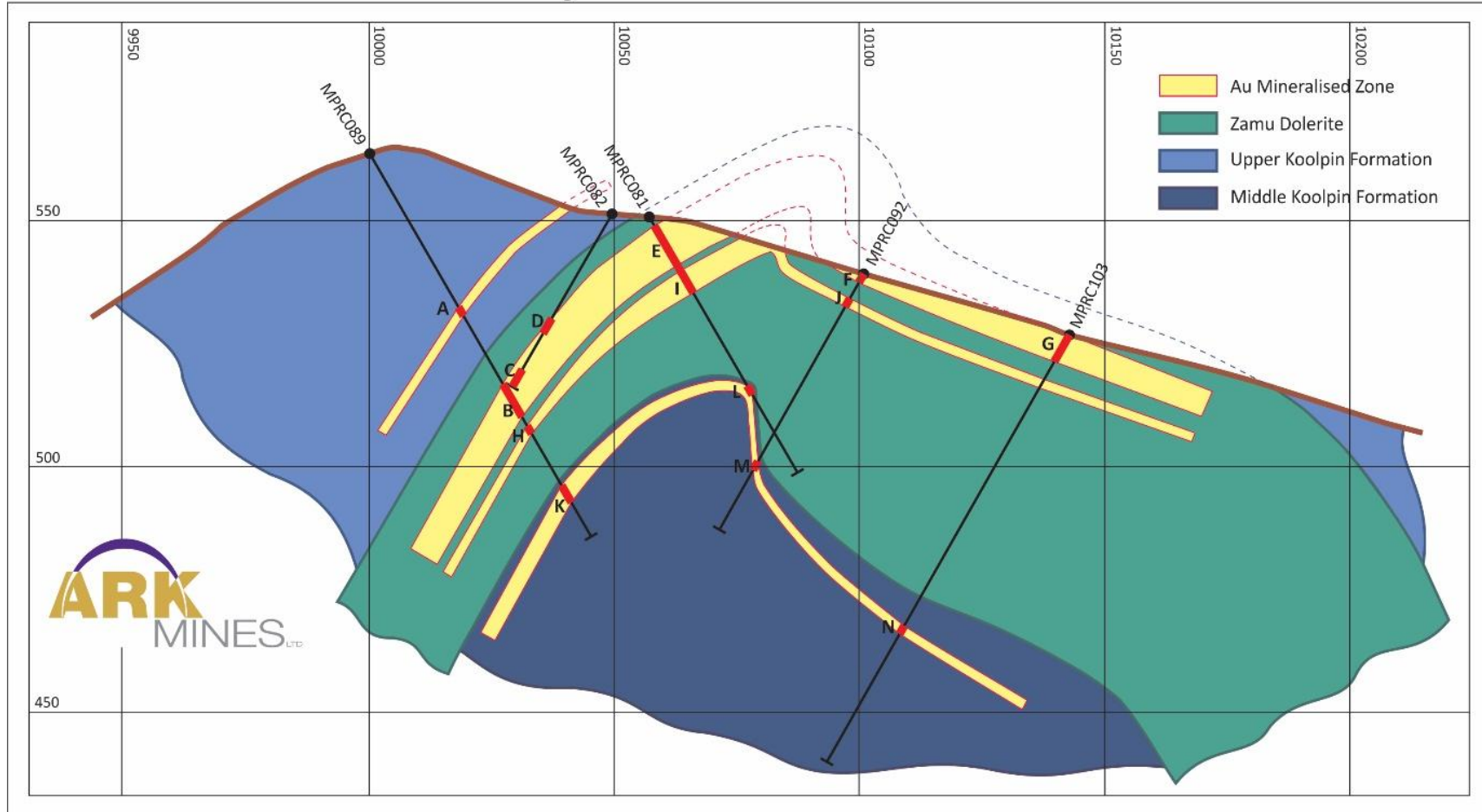
- High grade drill intercepts
- West limb exposed at surface
- 350m north of Mt. Porter
- 4m @ 43.05 g/t Au (1.55m @ 43.05 g/t Au True Thickness)
- 8m @ 8.38 g/t Au (7.4m @ 8.38 g/t Au True Thickness)
- 2m @ 5.2 g/t Au (2.01m @ 5.2 g/t Au True Thickness)
- 10m @ 1.56 g/t Au (9.89 @ 1.56 g/t Au True Thickness)
- Strong Au soil geochemical anomaly
- Strong As soil geochemical anomaly

Mt. Porter South Highlights:

- Lower grade 9 -10m thick mineralised zone
- 630 plus meters in strike
- 400m south of Mt. Porter
- 10m @1.15 g/t Au (9.82 @ 1.15 g/t Au true thickness)
- 9m @ 1.55 g/t Au (8.83 @1.55g/t Au true thickness)
- 19 out of 61 drill holes and 5 out of t6 trenches had significant intersections of gold mineralisation (>1m @1 g/t Au)
- Strong Au soil geochemical anomaly
- Strong As soil geochemical anomaly

Information Sourced from the Open Files at the NT Mines Department
Homestake Gold Australia AR
Annual Report ERL 116 – Mount Porter
For the period 12/9/95 to 12/9/96
Report No 1996/24

Ark Mines Mount Porter Project 10800m N Section



Intercept Table

A: 2m at 1.46 g/t Au

B: 8m at 8.38 g/t Au (inc. 4m at 14.35 g/t Au)

C: 4m at 43.05 g/t Au

D: 4m at 1.14 g/t Au

E: 10m at 1.56 g/t Au (inc. 4m at 3.03 g/t Au)

F: 2m at 2.28 g/t Au

G: 6m at 1.39 g/t Au

H: 2m at 1.01 g/t Au

I: 4m at 1.63 g/t Au

J: 2m at 5.20 g/t Au

K: 4m at 0.53 g/t Au

L: 2m at 0.58 g/t Au

M: 2m at 1.46 g/t Au

N: 2m at 0.54 g/t Au

Cutoff grade: 0.50 g/t Au

Topcut grade: 20.0 g/t Au



Figure 1 Cross section of 10800 400 m North of Mt Porter

Table 1: Significant Intercepts 10,800m N Section

Spatial Data							Intercept Data							
BHID	Easting (m)	Northing (m)	Elevation (m)	Azimuth (degrees)	Dip (degrees)	EOH (m)	Method	Section Label	From (m)	To (m)	Interval (m)	True Thickness (m)	Raw Au Grade (Au g/t)	Top Cut 20 g/t Au Grade (Au g/t)
MPRC089	10000.0	10814.0	563.2	90	60	90	RC	A	36	38	2	1.68	1.46	1.46
								B	54	62	8	7.40	8.38	8.37
								<i>including</i>	54	58	4	3.89	14.35	14.35
								H	64	66	2	1.87	1.01	1.01
								K	78	82	4	3.73	0.53	0.53
MPRC082	10049.0	10814.0	550.8	270	60	40	RC	D	24	28	4	1.51	1.14	1.14
								C	36	40	4	1.55	43.05	20.0
MPRC081	10057.0	10814.0	550.5	90	60	60	RC	E	2	12	10	9.89	1.56	1.56
								<i>including</i>	8	12	4	3.98	3.03	3.03
								I	14	18	4	4.03	1.63	1.63
								L	40	42	2	2.47	0.58	0.58
MPRC092	10101.0	10814.0	539.0	270	60	60	RC	F	0	2	2	2.00	2.28	2.28
								J	6	8	2	2.01	5.20	5.20
								M	44	46	2	1.38	1.46	1.46
MPRC103	10143.0	10814.0	526.1	270	60	100	RC	G	0	6	6	5.92	1.39	1.39
								N	68	70	2	2.06	0.54	0.54

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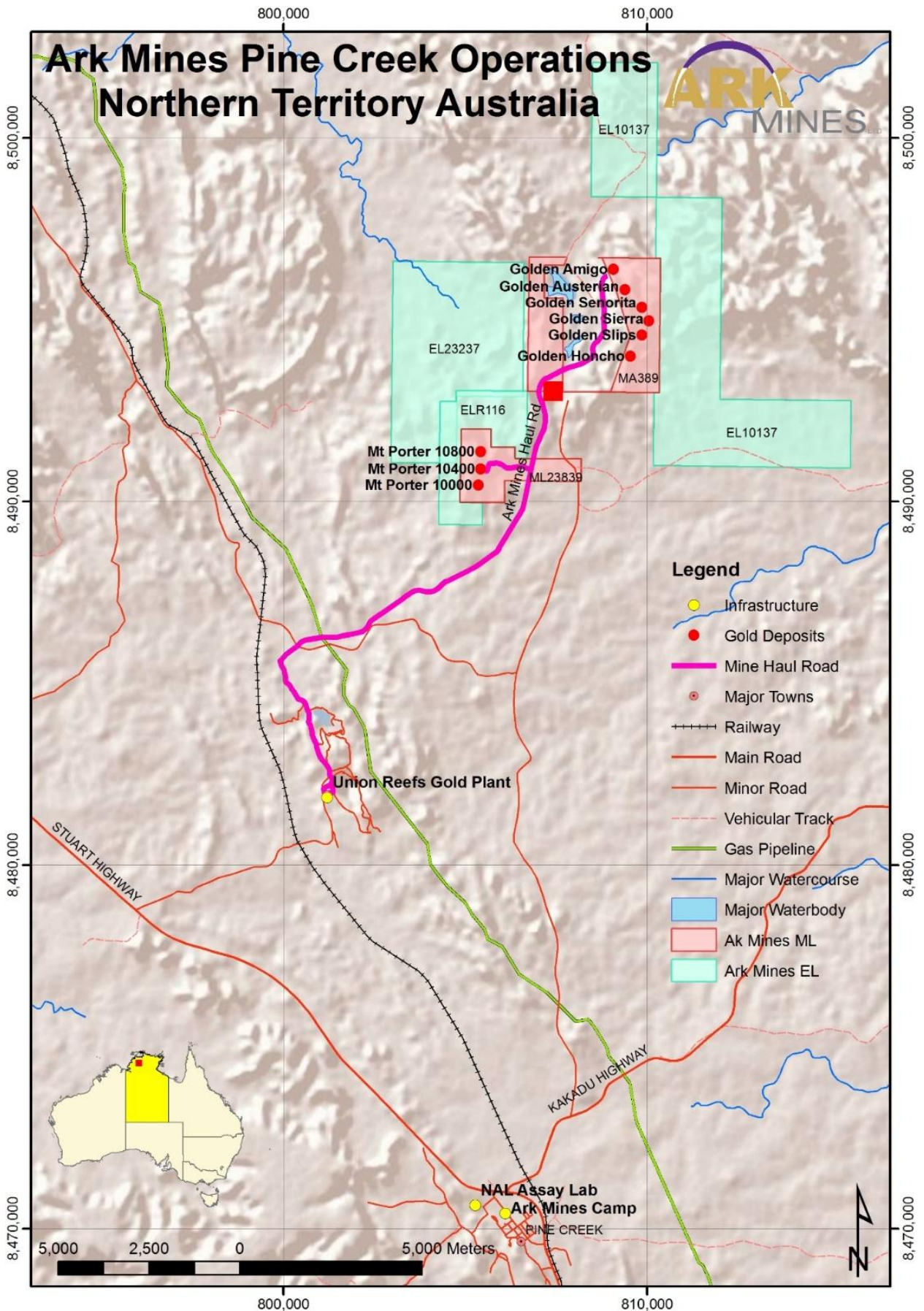
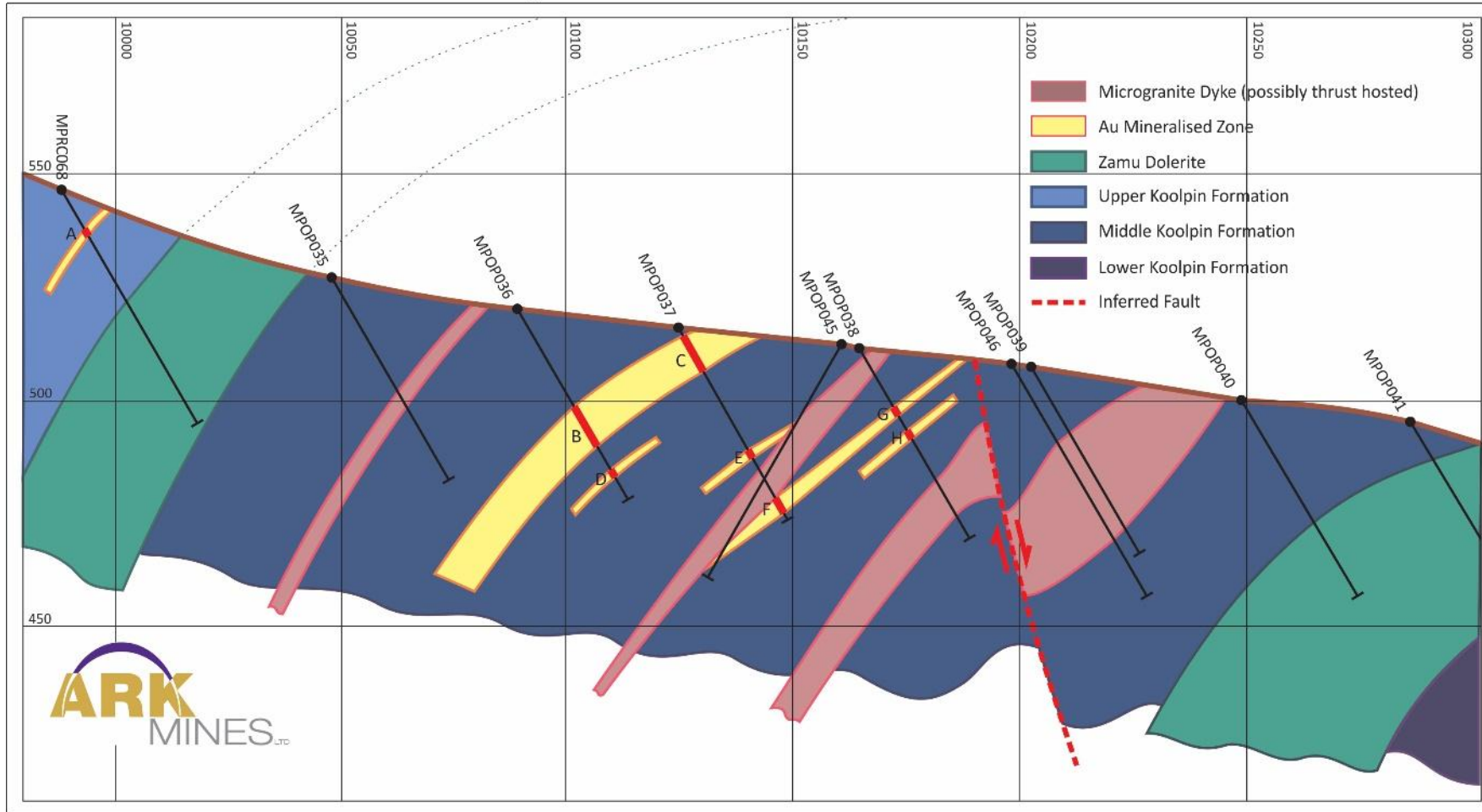


Figure 2 Location of Arks Tenements, haul road and Mine locations

Figure 3: Ark Mines Mount Porter Project 10000m N Section



Intercept Table

A: 2m at 1.12 g/t Au

B: 10m at 1.15 g/t Au

C: 9m at 1.55 g/t Au (inc. 4m at 2.69 g/t Au)

D: 2m at 1.03 g/t Au

E: 2m at 0.61 g/t Au

F: 4m at 0.56 g/t Au

G: 2m at 0.74 g/t Au

H: 2m at 1.03 g/t Au

Cutoff grade: 0.50 g/t Au

Topcut grade: 20.0 g/t Au

Figure 3 Cross section of the 10000 zone 400 m south of Mt Porter Mine site

Table 2: Significant Intercepts 10,000m N Section

Spatial Data							Intercept Data							
BHID	Easting (m)	Northing (m)	Elevation (m)	Azimuth (degrees)	Dip (degrees)	EOH (m)	Method	Section Label	From (m)	To (m)	Interval (m)	True Thickness (m)	Raw Au Grade (Au g/t)	Topcut 20 g/t Au Grade (Au g/t)
MPRC068	9988.0	10003.0	546.7	90	60	60	RC	A	10	12		1.83	1.12	1.12
MPOP035	10047.7	10004.6	526.9	90	60	51	OP	nil						
MPOP036	10089.1	10006.7	520.2	90	60	49	OP	B	25	35	10	9.82	1.15	1.15
								D	41	43	2	1.85	1.03	1.03
								nil	47	49	2	1.90	0.93	0.93
MPOP037	10124.5	10004.2	515.8	91	60	49	OP	C	2	11	9	8.83	1.55	1.55
								<i>including</i>	5	9	4	3.80	2.69	2.69
								E	31	33	2	1.87	0.61	0.61
								F	43	47	4	3.81	0.56	0.56
MPOP045	10160.9	10004.8	512.0	270	60	59	OP	nil						
MPOP038	10164.8	10002.7	511.5	97	60	49	OP	G	15	17	2	1.93	0.74	0.74
								H	21	23	2	1.90	1.03	1.03
MPOP046	10198.5	9995.3	507.8	90	60	59	OP	nil						
MPOP039	10202.8	9997.0	507.6	90	60	48	OP	nil						
MPOP040	10249.4	10015.6	499.7	90	60	50	OP	nil						
MPOP041	10286.9	10010.7	494.7	90	60	45	OP	nil						

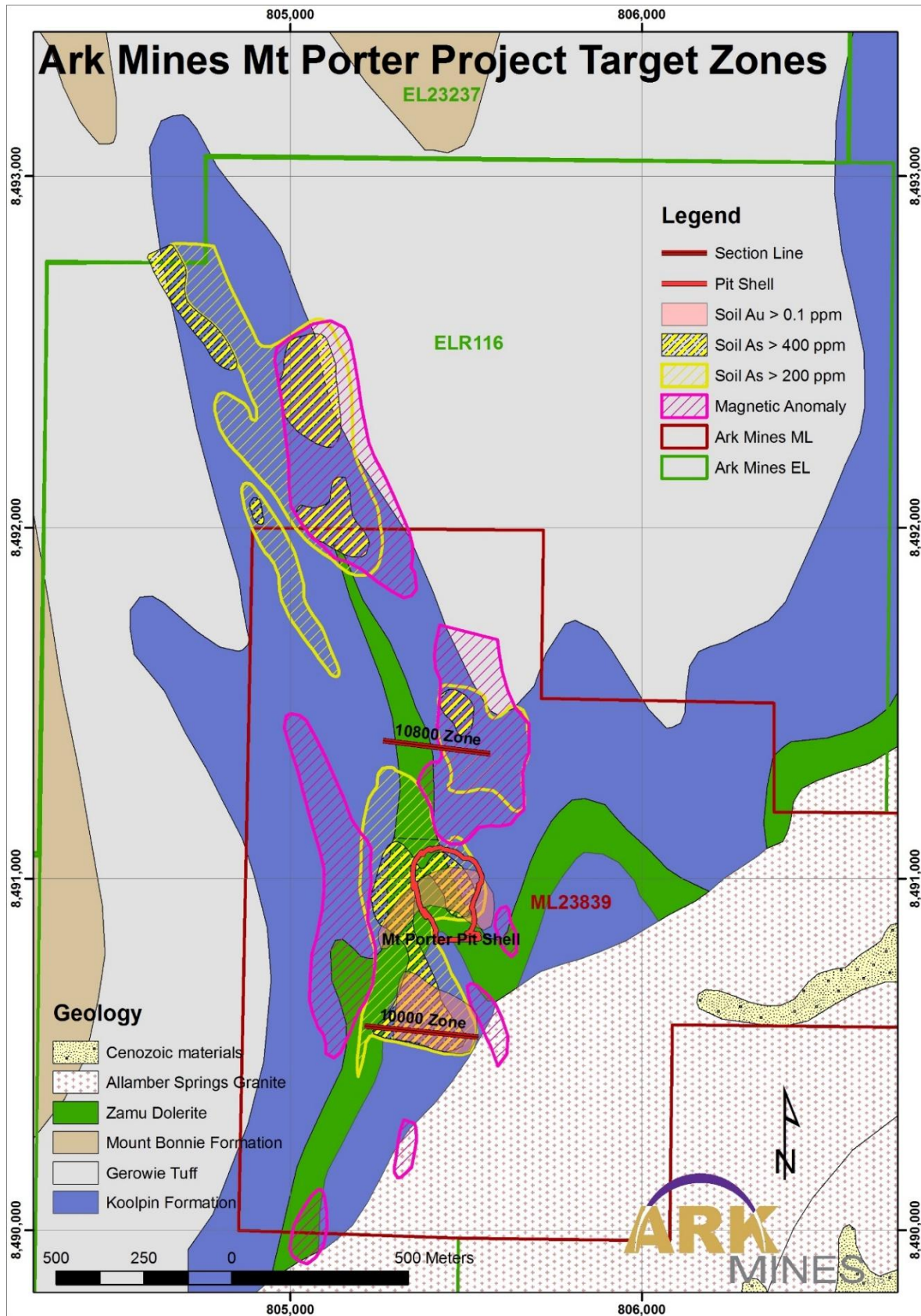


Figure 4 Mt Porter anticline Geochemical, magnetic, and drilling targets

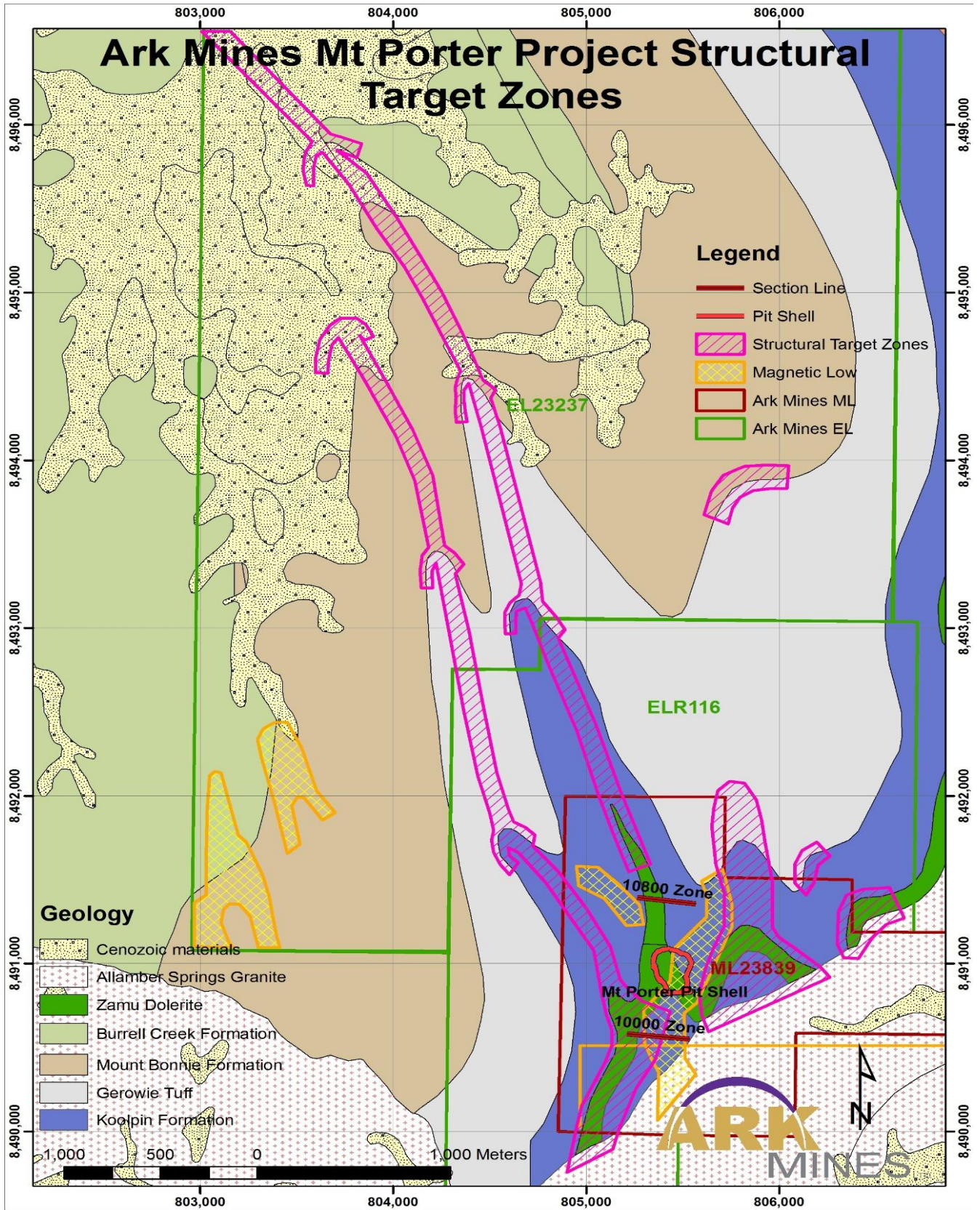


Figure 3 Ark Structural targets

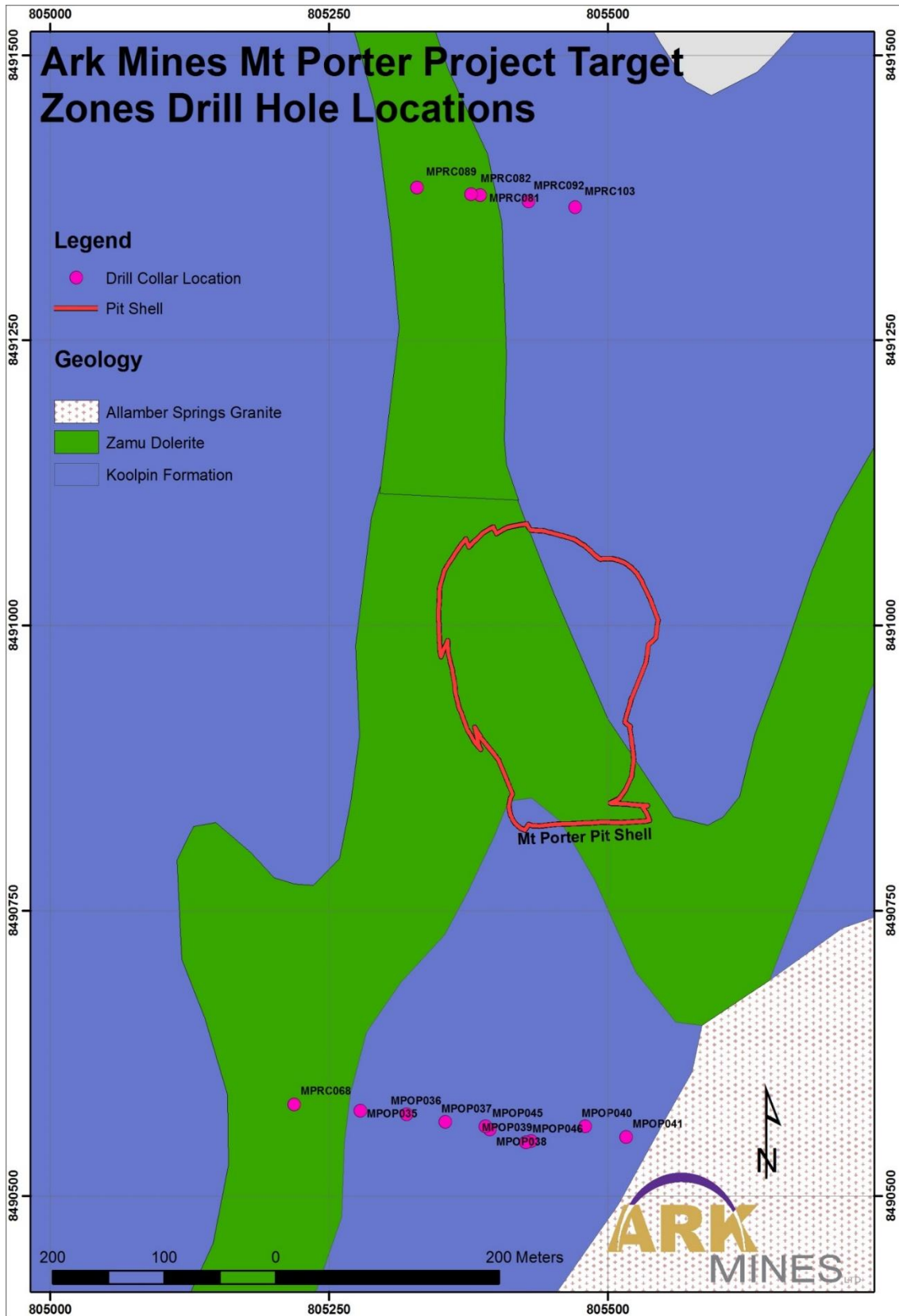


Figure 6 Drill collar locations



ARK PROJECT SUMMARY

Northern Territory, Australia 100% owned by AHK

- **Mount Porter/Pine Creek**
 - **Mining Licence 22839 and ELR116**
 - **34,200 Au ounces JORC 2004**
 - **Near production 23-25,000 poured ozs**
- **Mt Porter North (target)**
- **Mt Porter South (target)**
- **Golden Honcho high grade gold**
 - **2 exploration licenses and 7 mining prospects**
 - **Amigo, Austerian, Bandito, Gulf, Honcho, Seniorita & Slips**
- **Glencoe**
 - **42,900 Au ounces JORC 2004 – expandable resource**
 - **In production within twelve months when required**
- **Actively engaged in securing other gold resources**