

**Ark Mines Ltd**  
**Report on Activities for the Quarter**  
**Ending June 30 2011**

(ARK: AHK)

**27 July 2011**

**OPERATIONAL HIGHLIGHTS**

- ✓ Successful Listing on the ASX on May 9<sup>th</sup> raising \$3.1M with 28M shares on offer for 20c.
- ✓ Completed follow up Ground Gravity at 100m by 100m spacing at Bills Retirement on the Babinda Tenement EL 6338.
- ✓ Completed a second follow up Ground Gravity survey of 50m by 50m upon a successful higher resolution survey.
- ✓ Produced a clear and well-defined drilling target on the Bills Retirement Gravity Anomaly over the Coonara Fault and within significant linear magnetic shears aligned along the fault zone. Two large Gravity highs at Bill Retirement were generated **with greater than 3mgal centres** and steeply dipping gradients to the East.
- ✓ Completed a 10 hole RC drilling program at the Perseverance Mine on the Bald Hills Tenement EL 6339.
- ✓ Completed a 5 hole RC drilling program at the Dijoe Gold Mine on the Bald Hills Tenement EL 6339.
- ✓ Radiometric high found over the Dijoe trachyte (**3 times background**).
- ✓ Completed a 4 hole RC drilling program at the Great Gundabooka group of Mines on the Gundabooka Tenement EL 6241.



Ark Report on Activities for the Quarter ending June 30 2011

- ✓ Drilled 22 Air Core holes to basement over a SAM survey anomaly at the Turners Magnetic Anomaly Bald Hills EL 6339.
- ✓ Undertook a ground radiometric and rock chip sample program over the Dijoe Trachyte with results of showing elevated Ba, Ce, Zr and Ho.
- ✓ Applied for 99 units around the Babinda Tenement now called Coonara.

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### DRILLING AND GEOPHYSICS FOR QUARTER

<b>Babinda</b>	Bills Retirement	May	Gravity Program to extend and detail 3.8MGal anomaly for drill target.	✓
<b>Babinda</b>	Bills Retirement	May/June	Gravity Program to extend and detail 4MGal anomaly for drill target.	✓
<b>Babinda</b>	Babinda Copper Mine	May/June	Gravity Program to understand deposit and develop drill targets.	✓
<b>Bald Hills</b>	Perseverance	May/June	RC drilling 10 holes (50m-150m depth) for mine potential.	✓
<b>Bald Hills</b>	Dijoe	June	RC drilling 5holes (50m-150m depth) for mine potential.	✓
<b>Bald Hills</b>	Dijoe Trachyte	June	RC drilling 2 holes 40m-Fresh rock Rare Earth Samples	✓
<b>Bald Hills</b>	Turners	June	Air Core drilling 22 shallow holes To test SAM data	✓
<b>Gundabooka</b>	Great Gundabooka	June	RC drilling 4 holes (120m depth) to test magnetic targets for gold mine potential.	✓
<b>Bald Hills</b>	Perseverance	June	RC drilling 150m hole to test trachyte pipe for Rare Earth Elements.	✓

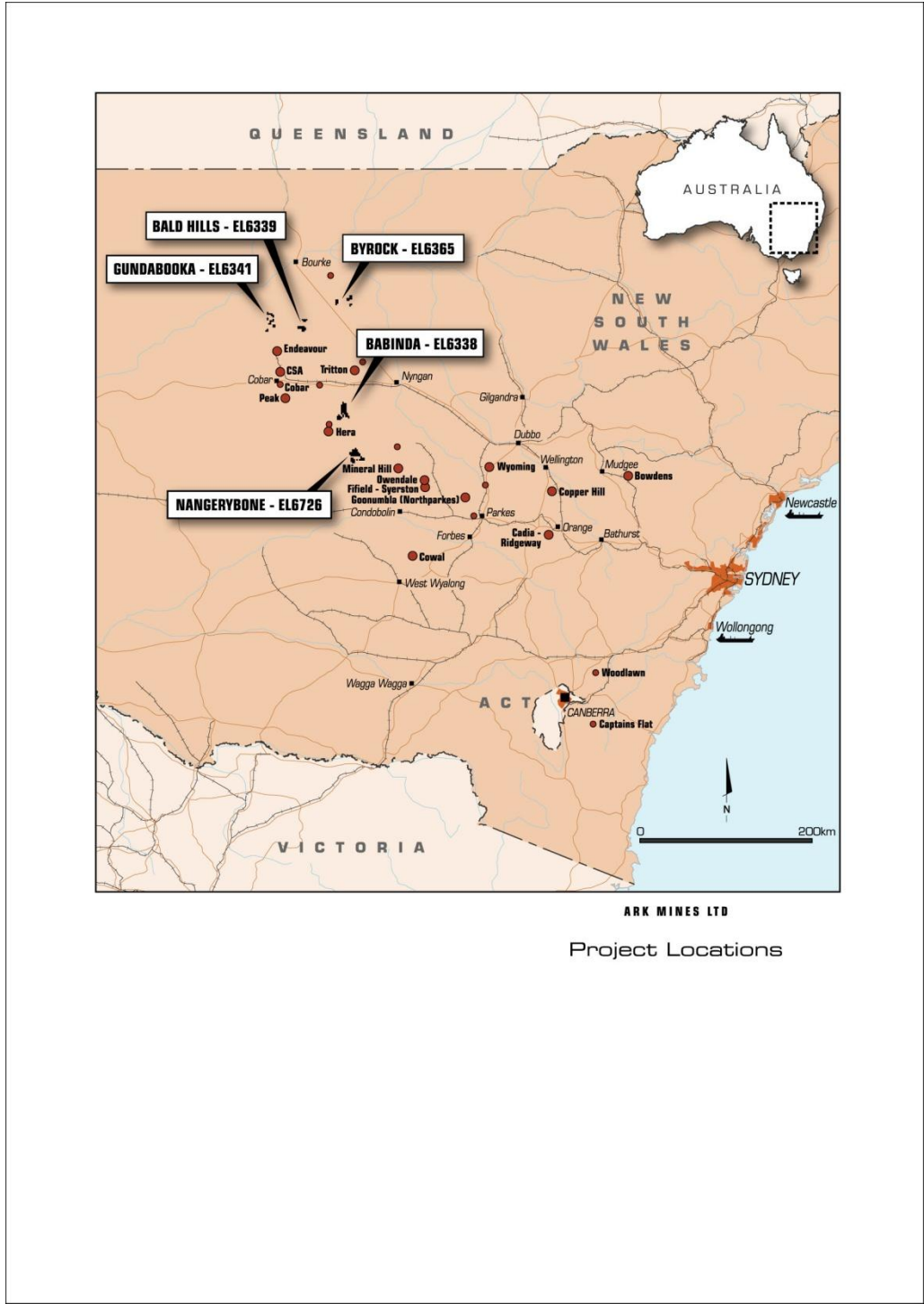
## KEY PROJECTS

Ark Mines Ltd is an Australian based resource development company with a focus on gold, copper, zinc, and Rare Earths in the Lachlan Fold Belt, New South Wales. There is potential for discovery of zinc-rich, gold-rich and copper-rich resources in Cu-Zn-Pb-Au lodes in shear zones. This region has a history of recent significant mineral discoveries and hosts a number of current world-class gold and base metal-silver mines.

Ark's granted tenements fall into two general mineral styles:

1. Porphyry copper-gold (Cu-Au) deposits associated with Ordovician and Silurian age volcanic sequences, similar to Northparkes and Cadia-Ridgeway, Lake Cowal, Peak Hill and Marsden. These are covered by Ark EL's at Gundabooka and Bald Hills for Au-Cu.
2. Gold and copper deposits associated with the mineralised Gilmore Suture, a major structural feature which dissects rocks of the Lachlan Fold Belt and along which are located some major gold deposits. Also Cobar zinc (Zn) – lead (Pb)-Ag/Au-Cu type deposits associated with acid volcanic centres/stratabound sulphides. These mineralised styles are covered by Ark EL's at Babinda, Bald Hills, Byrock and Gundabooka for gold and base metals.

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ARK MINES LTD

Project Locations

**BABINDA EL6338**

Targets: Gold, Copper, Zinc, Silver, Lead.

Babinda is located on the Coonara Fault, 25km North East of Nymagee.

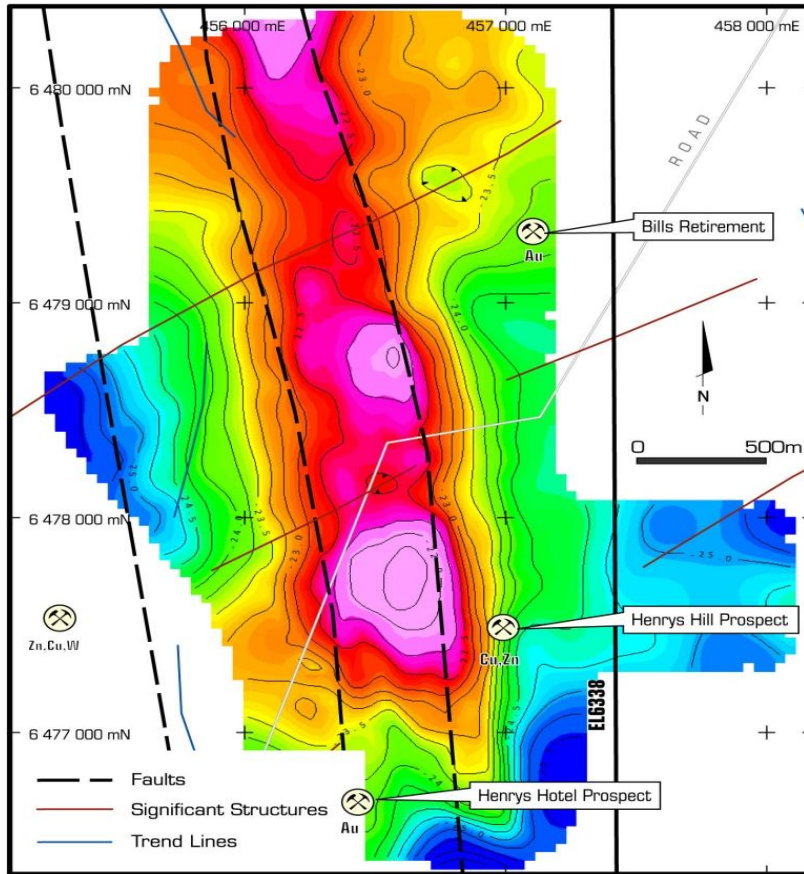
This EL is on an eastern margin of Cobar Basin that hosts three world-class gold and base metal mines (Peak, CSA, Endeavor). There are targets for lode type gold-zinc ore deposits in shear zones on Babinda. There are many similarities to the YTC Hera deposit and the Kidman Blind Calf deposit.

During the quarter Ark undertook an initial 100m by 100m Ground Gravity Survey over the Bills Retirement area in the North Eastern section of the tenement. Ark initiated the work because of a previous survey, on a regional scale picked up a large gravity expression in the locality. Ark Geoscientists, after analyzing results, engaged a second Geophysical crew to undertake a more intense Gravity survey over the area on a 50m by 50m centered grid. While the crew was there a decision was made to undertake a survey over the Elaine area, which includes the old Babinda Copper Mine. This also proved to be worthwhile.

Ark will now be RC and Diamond drilling the Bills Retirement set of highs, along with the Elaine highs, in July and August of this year. The drill targets align with magnetic lineaments.

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**FIGURE 1: BILLS RETIREMENT Gravity Survey**



**FIGURE 2: ELAINE Area Gravity Survey**

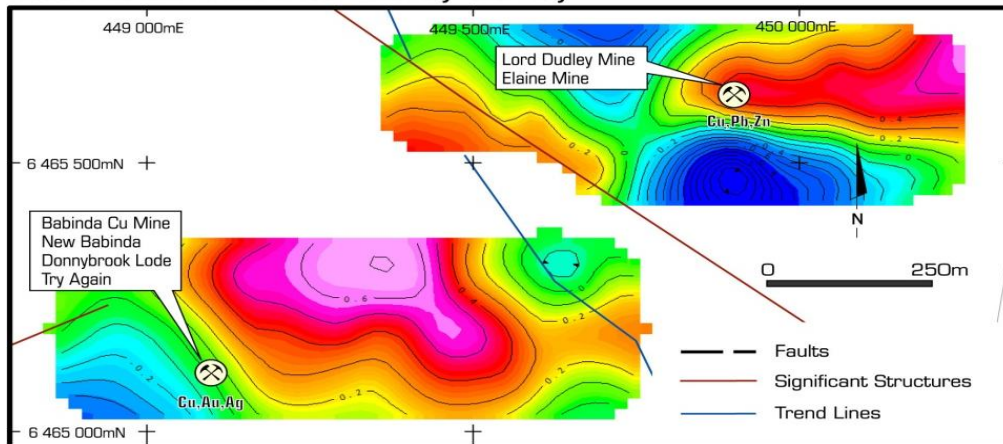
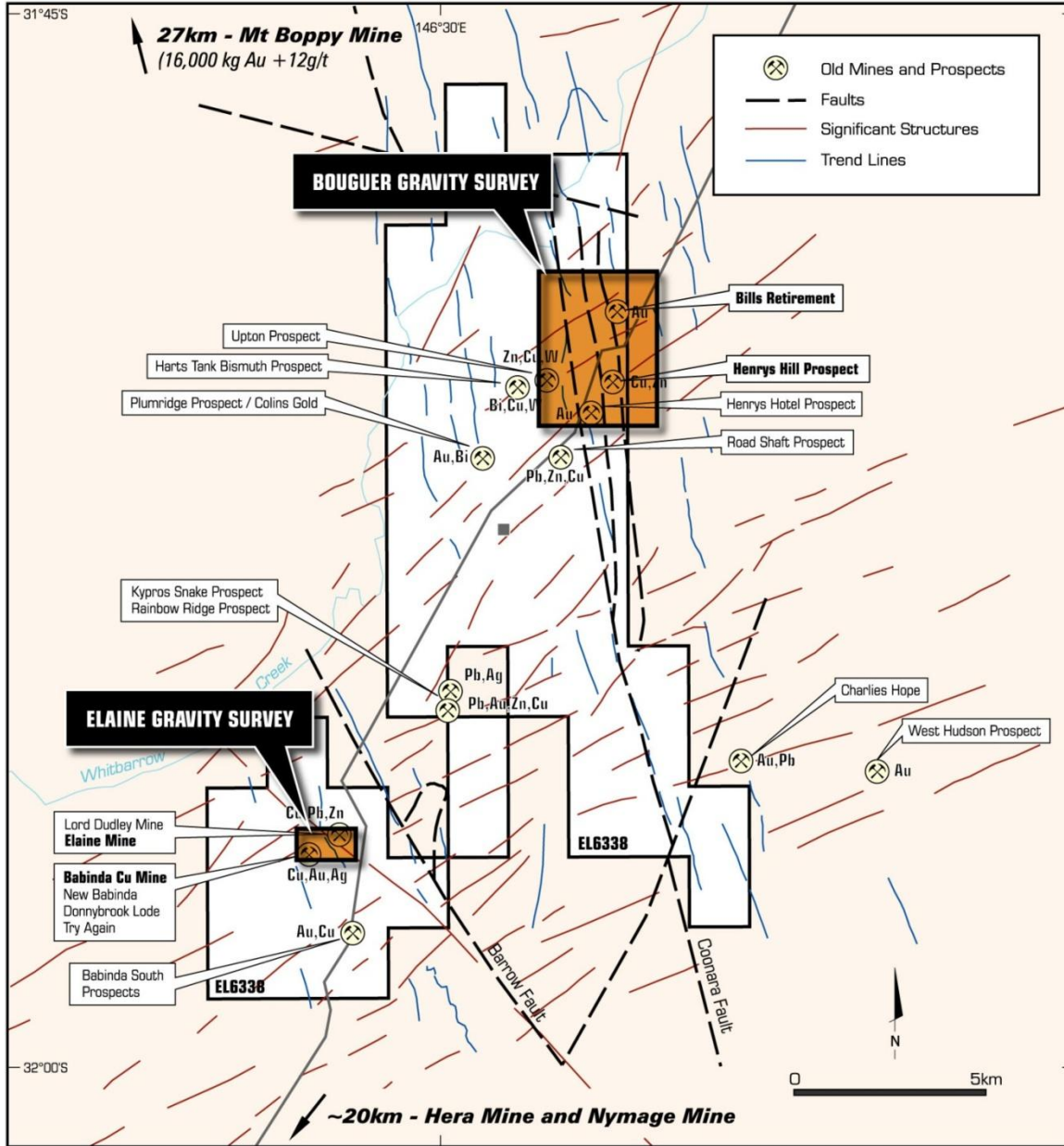


Figure 1 Gravity High Images at Babinda



**ARK MINES LTD**  
**EL6338 BABINDA**  
**Gravity Survey Locations**



**BALD HILLS EL6339**

Targets: Gold, Copper.

The Bald Hill EL covers the Mount Dijou-Bald Hills old gold mine workings and the Wilga Downs copper-gold mines. The mineralisation is related to a suite of basic volcanics and intrusives.

Mt Dijou is an ancient island arc volcanic centre and basalts are interbedded with chert and Banded Iron Formations that contain anomalous gold values. Several high-grade auriferous quartz reefs have been worked. The volcanics are prospective for stratiform gold ore deposits, porphyry Cu/Au and epithermal gold.

Two areas of mineralization are defined by Ark; the Bald Hills line of workings; and the Mt Dijou/Green's Mines. The Bald Hills area includes 70 old gold mines.

The principal mine in the area was the Perseverance (Mt Dijou area), where the mineralized lode ranged from 0.3m up to 4m in width and about 280m in length with grade mined up to 15 g/t Au. Gold was also present in the wall rock with values from 4 to 7 g/t. It was worked intermittently up until the 1950's. In the volcanics around the mine area drill intersections of 2m x 3.7 g/t Au were obtained by Ark.

**Drilling at Bald Hills for the Quarter**

1. Ark undertook a shallow RC drill program to test down dip and along strike extensions of the Perseverance Mine. The 10 holes were generally targeted at a 60- 100m down dip target. Holes were drilled at 60 degrees and to the west. Results are pending.

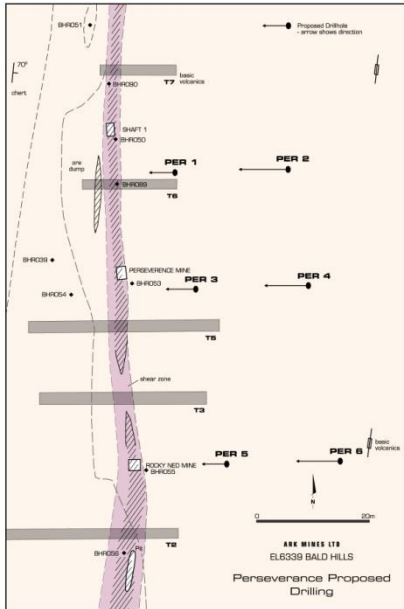


Figure 2 6 of 10 drill locations at Perseverance

- Ark followed this up with a group of 4 shallow RC holes at the Dijoe Gold Mine. These holes were to test mineralisation at the historic mine, as no drilling has been undertaken at the mine in the past. Results are pending.



Figure 3 RC samples along strike of Dijoe Gold Mine Shaft

3. The Turners prospect area was drilled using Air Core techniques with 22 shallow holes being drilled to refusal. The holes were test for basement geochemical signatures, as previous work undertaken by Ark has shown magnetic shear structures within an area which had given a overlaying geochemical signature. Results Pending
4. Ark after determining a radiometric high near Mt Dijoe, decided to drill two 40m RC holes into the rock. This was to provide fresh samples of the Trachyte to test for Rare Earths. The location, on the side of Mt Dijoe potentially had re located float from higher up the hill, which would have misrepresented the sampling. Results Pending
5. A 150m RC hole was drilled from the west of the Perseverance Mine after examining the geological logs of previous drilling. This was to test for a second lense of mineralisation to the west and the Rare Earth potential in a trachyte, which gave a radiometric high. Results Pending.



Figure 4 RC Drilling at Perseverance

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## GUNDABOOKA EL6341

Targets: Gold, Copper



Figure 5 the Great Gundabooka Shaft

The Gundabooka EL is located at the northern end of the well-defined corridor of mineralization hosting the world class Cobar Au, Ag and Cu, Zn, Pb mines. Recent aeromagnetic imaging shows that the Cobar Group of rocks extends north into this EL.

Ark undertook a 4 hole RC drilling program around the Great Gundabooka set of shafts. Previous work by Ark, had found the dumps to have high grade gold results with solid base metal credits. The dumps also proved to be radiometric with levels beyond 2 ½ times background.

There are over 20 old gold, silver and base metal mines on this EL.

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### COONARA ELA 4210

Ark made application of 99 units surrounding the Babinda EL.

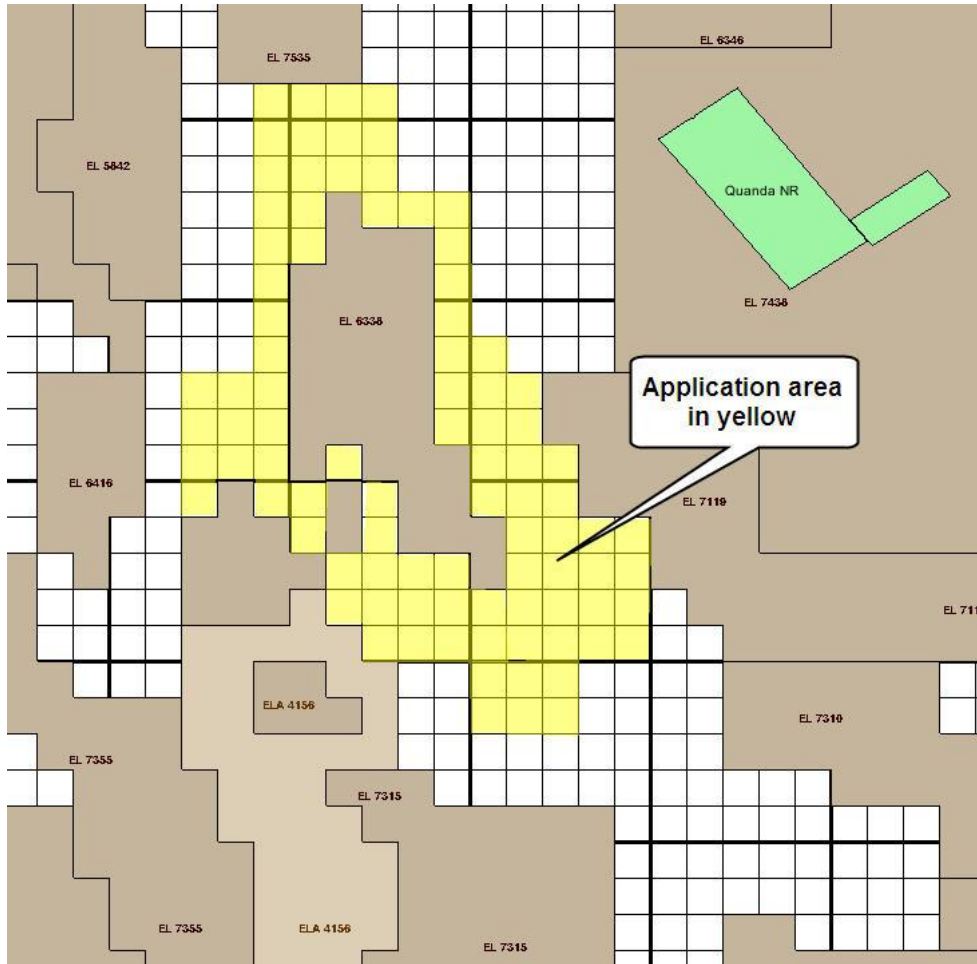


Figure 6 Units applied for around Babinda (Coonara ELA 4210)

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**NANGERYBONE EL6726**

No work was undertaken on the tenement over the quarter.

**BYROCK EL6365**

No work was undertaken on the tenement over the quarter.

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

**Roger Jackson**

**Managing Director**

**Ark Mines Ltd**

**About Ark Mines**

*Ark Mines Ltd (Ark) is a publicly listed company with five highly prospective tenements in the Lachlan Fold Belt, in the central west of New South Wales. Ark's exploration efforts are focused on gold and base metals, whilst potential for "rare earth" and iron provide Ark with a diversified suite of valued commodities.*

*The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Robert McLennan BSc (Hons), MSc, MAIG, who is a Fellow of The Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field of activity being reported on. Mr McLennan is a director of the Company. Mr McLennan 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 2004 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLennan consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*