



ACN 123 668 717

Annual Report

For the Year Ended 30 June 2014

CORPORATE DIRECTORY

Directors	Antony B Corel Roger A Jackson Ian B Mitchell
Company Secretary	Ian B Mitchell
Registered office	C\– Websters Solicitors and Barristers Level 11 37 Bligh Street Sydney NSW 2000
Principal Place of Business	C\– Professional Edge Pty Ltd Level 9 27 – 31 Macquarie Place Sydney NSW 2000
Share Register	Gould Ralph Pty Limited Level 42, Suncorp Place 259 George Street Sydney NSW 2000
Auditor	BDO East Coast Partnership Level 11 1 Margaret Street Sydney NSW 2000
Solicitors	Websters Solicitors and Barristers Level 11 37 Bligh Street Sydney NSW 2000
Bankers	National Australia Bank Level 15, Ernst and Young Centre 680 George Street Sydney NSW 2000
Accounting Services	Professional Edge Pty Ltd GPO Box 1458 Sydney NSW 2000
Securities Exchange Listing	Ark Mines Ltd. shares are listed on the Australian Securities Exchange (ASX code: AHK)
Website address	www.arkmines.com.au



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Annual Report

For the Year Ended 30 June 2014

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CHAIRMAN'S LETTER TO SHAREHOLDERS

For the year ended 30 June 2014



"We remain committed to producing revenues as soon as is practicable from Mt Porter in the Northern Territory."

Dear Fellow Shareholders,

On behalf of the Board I would like to thank you for your continuing support of the Company. Your Board has worked very hard over the last year to navigate a challenging environment and add value to the Company's projects, notwithstanding limited funds and a difficult capital market.

We remain committed to producing revenues as soon as is practicable from Mt Porter in the Northern Territory. We are also actively investigating potential mergers and acquisitions we think are in the interests of the Company and its shareholders. Over the last 12 months we have considered many proposals but none have yet met our stringent criteria. At the time of writing, the Company is primarily focused on:

- gold mining and exploration at Mt Porter and Frances Creek in the Northern Territory; and
- gold exploration at the Babinda and Nangerybone tenements in the Lachlan Fold Belt, New South Wales.

Further details of these projects are included in the Managing Director's Review and the Directors' Report.

To support our current projects the Company has raised an additional \$346k since the end of the financial year and expects to raise further funds in the 2015 financial year. With funds raised the Company intends to:

- meet its obligations under the Arafura Earnin Agreement with a view to earning a 40% interest in relevant assets;
- meet its obligations under the Arafura Earnin Agreement with a view to earning a 70% interest in relevant assets or exercising an option to acquire 100% of the assets;
- mine oxides at Mt Porter as soon as is practicable;
- develop a JORC resource at Frances Creek and apply for a mining licence as soon as is practicable; and
- additional deep drilling at Babinda.

I look forward to reporting further developments next year.

Antony B Corel

Chairman

29th day of September 2014



“Ark Plans to drill its Mt Porter and Frances Creek gold projects in the Northern Territory’s highly prospective Pine Creek region.”

OPERATIONAL HIGHLIGHTS

- Ark Plans to Drill its Mt Porter and Frances Creek gold projects in the Northern Territory’s highly prospective Pine Creek region.
- Ark Plans to Drill its Babinda project.
- Confirmed exploration program with Arafura Resources Limited at Frances Creek and Mt Porter.
- Commenced discussions with a potential toll treating facility for Mt Porter.
- Relinquished 100% of its Bald Hills EL6339.
- Relinquished 100% of its Gundabooka Tenement EL6341 in the Lachlan Fold Belt, NSW.
- Relinquished 100% of its Coonara Tenement EL8050 in the Lachlan Fold Belt, NSW.
- Management reassessment of Ark exploration, and merger and acquisition strategy completed in the period.
- Minimised company costs.
- Directors reduced and deferred their fees.

- Close to Ark’s Mt Porter 34,000oz Au Resource and Pine Creek.
- Studies underway on historical data and geological information at Golden Slips and Golden Honcho prospects – excellent gold grades previously identified.
- First stage drilling completed by Arafura- 40 RC holes drilled for 1,646m.
- Sub Vertical quartz veins outcropping on top of steep ridge crests which are amenable to simple low cost open pit mining.
- Drill results show similar grades and widths to the surface sampling.
- Average surface grades of 17.6 g/t over 420 meters. (Golden Honcho) and 18.2 g/t over 180 metres (Golden Slips).
- Over 2,400 metres of strike length with only 390 metres drilled to date.

Background

The Mt Porter and Frances Creek projects lay approximately 20kms to the north of Pine Creek and 165km South of Darwin in the Northern Territory. The Company is party to an agreement (“the Agreement”) with Arafura Resources Limited (“Arafura”) to mine, earnin and joint venture the Mt Porter and Frances Creek gold projects.

Key features of the Arafura Agreement

- An immediate right to mine the Mt Porter ML23839 tenement, subject to obtaining necessary governmental permissions.
- A right to earn a 40% interest in Arafura’s Mt Porter tenements and their rights to explore for and mine gold in the Frances Creek tenements (“the Assets”) over a period of 30 months subject to an expenditure of not less than \$400,000 (“First Earnin”), \$200,000 must be spent during the First Earnin period which following a re-negotiation, concludes on 26 December 2014 (“Minimum Obligation”).
- A right, upon completion of the First Earnin to either earn a further 30% interest in the Assets (making a total of 70%) over a period of 24 months subject to expenditure of not less than \$1,600,000 and the delineation of not less than 100,000 ounces of gold, excluding the Mt Porter Resource and gold mined from Mt Porter (“Second Earnin”) or to exercise an option to acquire 100% of the Assets for not less than \$2,000,000.

FRANCES CREEK AND MT PORTER

Key Points

Mt Porter

- A resource of 34,200 ozs Au comprising 300,000t @ 3.1 g/t Au.
- 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).

Frances Creek

- Advanced gold project.
- Significant drilling completed.
- Resource Drilling to commence immediately.

MANAGING DIRECTOR'S REVIEW

For the year ended 30 June 2014

- Provision for the creation of a joint venture between Ark and Arafura, in the event that Ark completes the Second Earnin, in which case each party shall thereafter be required to contribute to that joint venture in proportion to their interests and otherwise comply with the joint venture agreement.
- Agreement that Ark may withdraw from the Agreement at any time after satisfying the Minimum Obligation provided that any further spending obligations are satisfied on a pro-rata basis.

Mt Porter

The Mt Porter project has been explored by a number of companies since the mid-1980s, including Renison and Homestake. Renison had undertaken 14,000m of RC drilling and developed a resource, however the gold price at the time, shelved the project. Homestake drilled 14 diamond holes, while in a farmin agreement with Renison; however the size of the deposit did not meet their corporate objectives. In 2002 Arafura acquired the project from Iluka (Renison) and then went on to complete a 7-hole diamond program. In 2006 after successful Native Title negotiations and an Environmental Public Report, Arafura was granted a Mining License (ML 23839). In 2006 Arafura commenced an RC program to drill the newly identified NW and SE targets. Due to mechanical issues the program was abandoned after 4 holes completed, of the 11 proposed. A new zone of mineralization was found called the "248" zone which is open along strike and dip. Significant results were gained and it was concluded the SW target should be followed up along with other targets which were identified.

Hence, drill testing of the western limb of the Mt Porter Anticline along its entire length and within the vicinity of the known resource will be the focus of the immediate exploration program. This and other defined targets at the Mt Porter gold project represents an advanced stage exploration project in a proven gold bearing geological province and a comprehensive exploration program with the objective of building on the existing resources will be the main priority for Ark.

Frances Creek

In the Frances Creek area, some five kilometres to the north-east of Mt Porter, Arafura completed 40 RC holes by the end of 2004 on a number of vein deposits including the Golden Slips and Golden Honcho deposits. This drilling encountered high gold grades within quartz veins hosted by sandstone. Grades as high as 47.5 g/t Au over intervals of up to 4 metres were recorded (see Table1).

The Golden Honcho deposit is open along strike to both north and south and at depth. Ark will undertake a resource evaluation in conjunction with a major drilling program on these prospects in order to add to the gold inventory already apparent on this project.

Hole	From	To	Interval	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	3.30	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	1.10	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	3.30	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	3	5	19.11	Golden Honcho

Table 1 - significant drill results at Frances Creek.

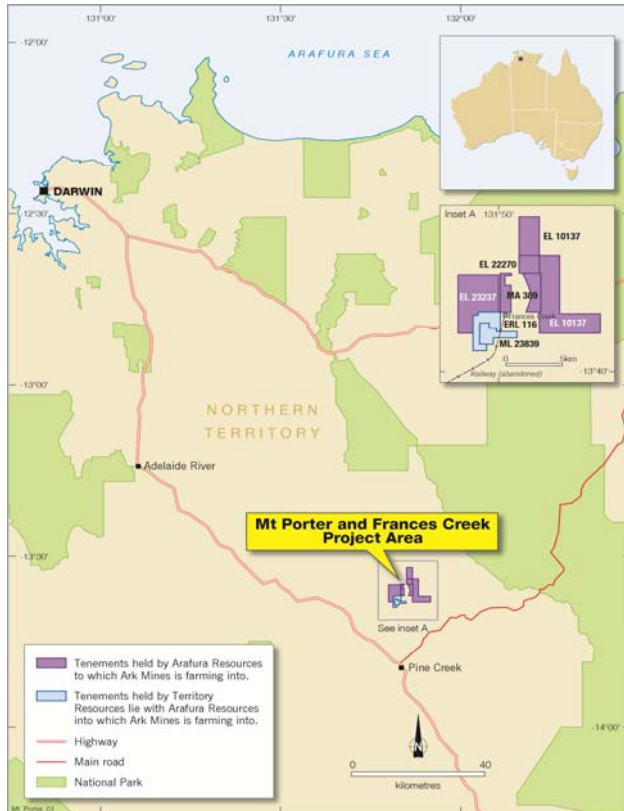


Figure 1 - Mt Porter and Frances Creek location.

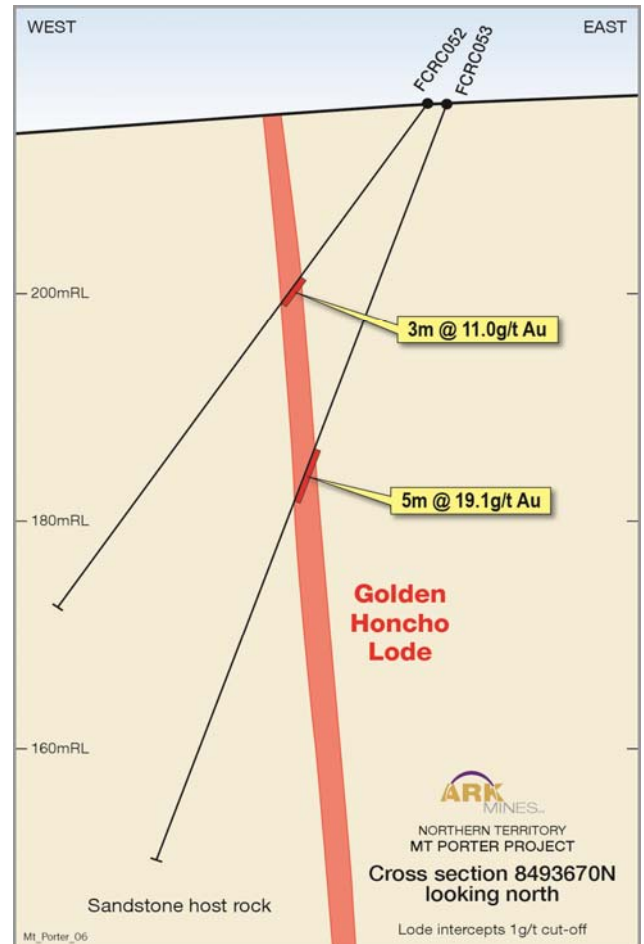


Figure 3 - cross section of Golden Honcho.

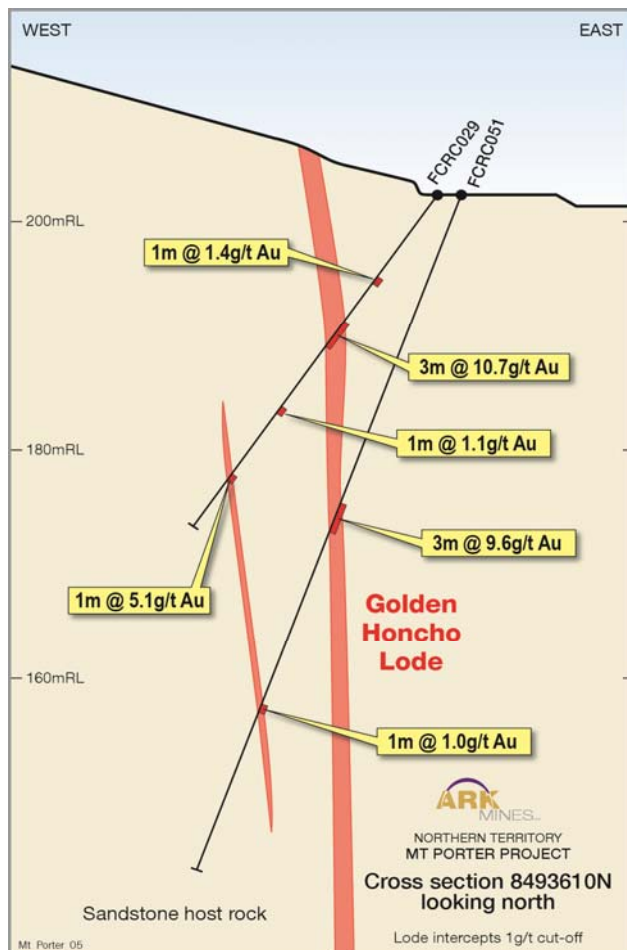


Figure 2 - cross section of Golden Honcho.

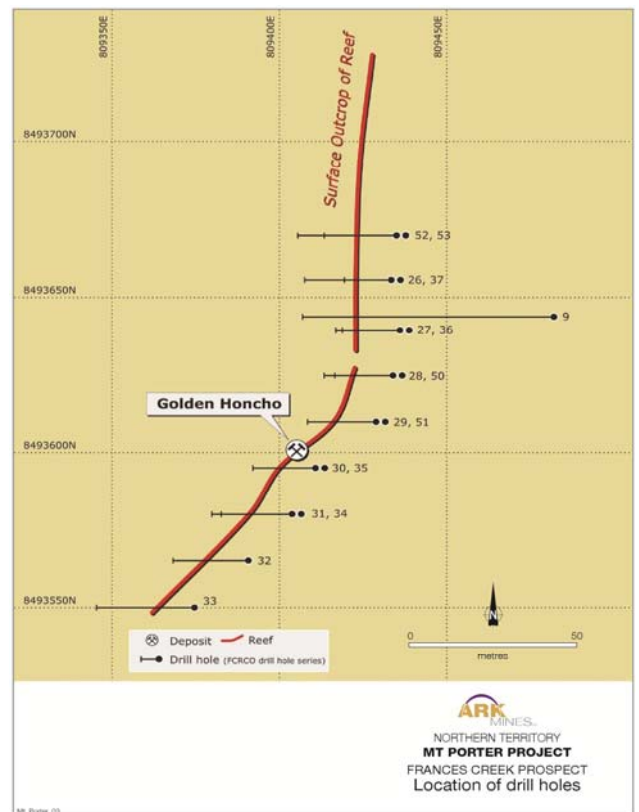


Figure 4 - drill traces Golden Honcho.

MANAGING DIRECTOR'S REVIEW

For the year ended 30 June 2014

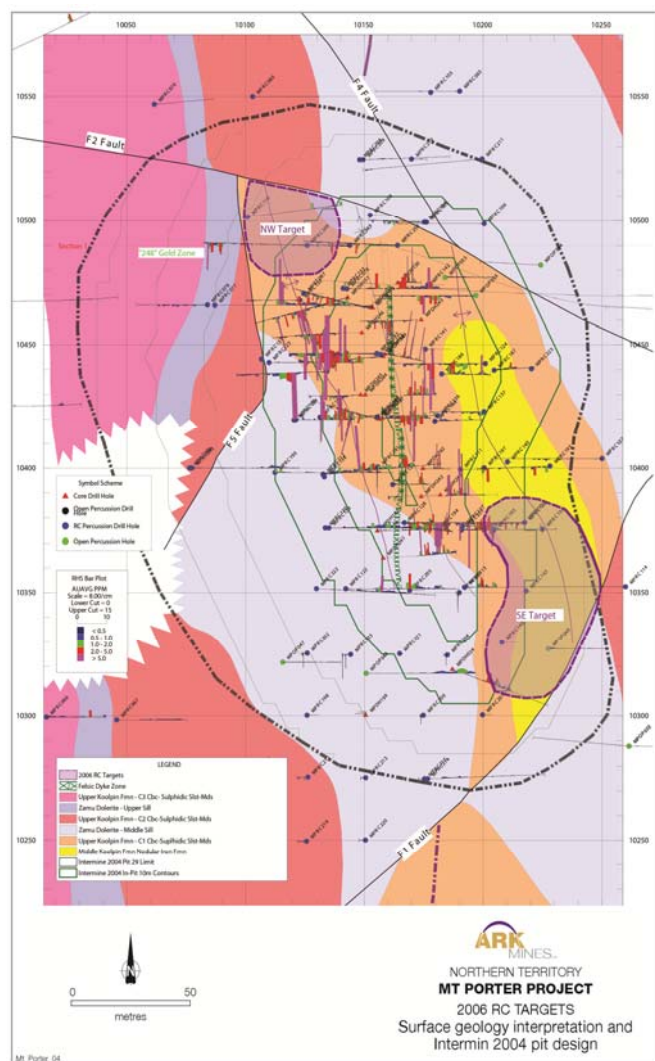


Figure 5 - pit design and geology Mt Porter.

Proposed Exploration Program NT Tenements

Mt Porter

- 2 by 80m angled HQ diamond holes in the NW target zone (refer to Fig 5).
- 2 by 80m angled HQ diamond holes in the SE target zone (refer to Fig 5).
- All cores to be assayed for gold grades as well as metallurgical testing with a view to improving grade, tonnes and recovery.

Frances Creek

- Targeting the oxide zone less than 20m vertical depth from surface.
- Infill drilling - 20 by 15m angled RC holes targeting 8m vertical depth.
- Infill drilling - 20 by 30m angled RC holes targeting 15m vertical depth.
- 20 costeans to test the near surface gold values of the gold reef.

Note: Runge Limited who purchased the assets of Resource Evaluations Pty Ltd have reviewed the documentation relating to the Mt Porter resource and have confirmed that this resource estimation conforms to the reporting guidelines of the JORC Code (1999).

BABINDA NEW SOUTH WALES

Key Points

- Babinda Elaine VMS deposit located on the Coonara Fault, parallel to the Rookery Fault (hosts the Cobar mineral field).
- Positive Drilling results sit in;
 - the centre of a large magnetic anomaly;
 - a regional PB – Zn soil geochemical anomaly; and
 - the recently derived Babinda Elaine gravity anomaly.
- Located between YTC's Hera deposit and Polymetal's Mount Boppy Mine.
- 5 holes anomalous in Cu, Zn, Pb and Ag for the length of hole (100m).
- Strike length of 750m.

Planned Exploration

- Lord Dudley Gravity high yet to be drilled.
- A program to further drill Babinda Elaine and Lord Dudley including two deep diamond holes.
- Further ground gravity will be undertaken to extend the gravity anomaly to the north.

Previous Drilling Highlights Include:

BRC008 (note drilled in centre of Gravity High)

- 32m @ .22% Cu and .05% Zn from 8m to 40m
Including;
 - 11m @ .35% Cu from 17m to 28m;
 - 4m @ .59% Cu, 1.4g/t Ag from 24m to 28m; and
 - 7m @ .10% Cu, .13% Zn, .44g/t Ag from 12m to 19m.
- Plus;
 - 6m @ .53% Zn, .19% Pb, .91g/t Ag from 70m to 76m.
- Including;
 - 1m @ .95 % Zn, .49% Pb, 2.2g/t Ag, .12g/t Au from 70m to 71m.

Hole ended in anomalous Zn .08% from 97m to 100m and average for the 100m .08% Cu, .07% Zn per m.

BRC009

- 54m @ .055% Cu, .04% Zn from 40m to 94m.
Including;
 - 8m @ .13% Cu from 60m to 68m; and
 - 2m @ .36%, Cu .22% Zn, 1.15g/t Ag from 83m to 85m.

Hole ended in anomalous mineralisation of Zn of .02% and average for the 100m .03% Cu, .07% Zn per m.

BRC006

- 2m @ .56% Pb, .13% Zn, 2.35 g/t Ag from 37m to 39m.
Hole ended in .08% Zn, .05% Pb, 0.5 g/t from 99m to 100m and average for the 100m .02% Cu, .03% Zn per m.

BRC007

- 2m @ .15% Zn, .19% Pb, 0.8 g/t Ag from 26m to 28m.
- 6m @ .12% Zn, .06% Pb from 47m to 63m.
- 2m @ .11% Zn, .09% Cu, 0.6g/t Ag from 59m to 61.
Hole average for the 97m .05% Zn, .02% Pb, .01% Cu per m.

BRC005

- 1m @ .14% Zn, .6 g/t Ag from 63m to 64m.
Hole average for the 100m .02% Zn, .01% Pb per m.

Note: intersections do not represent true thickness.

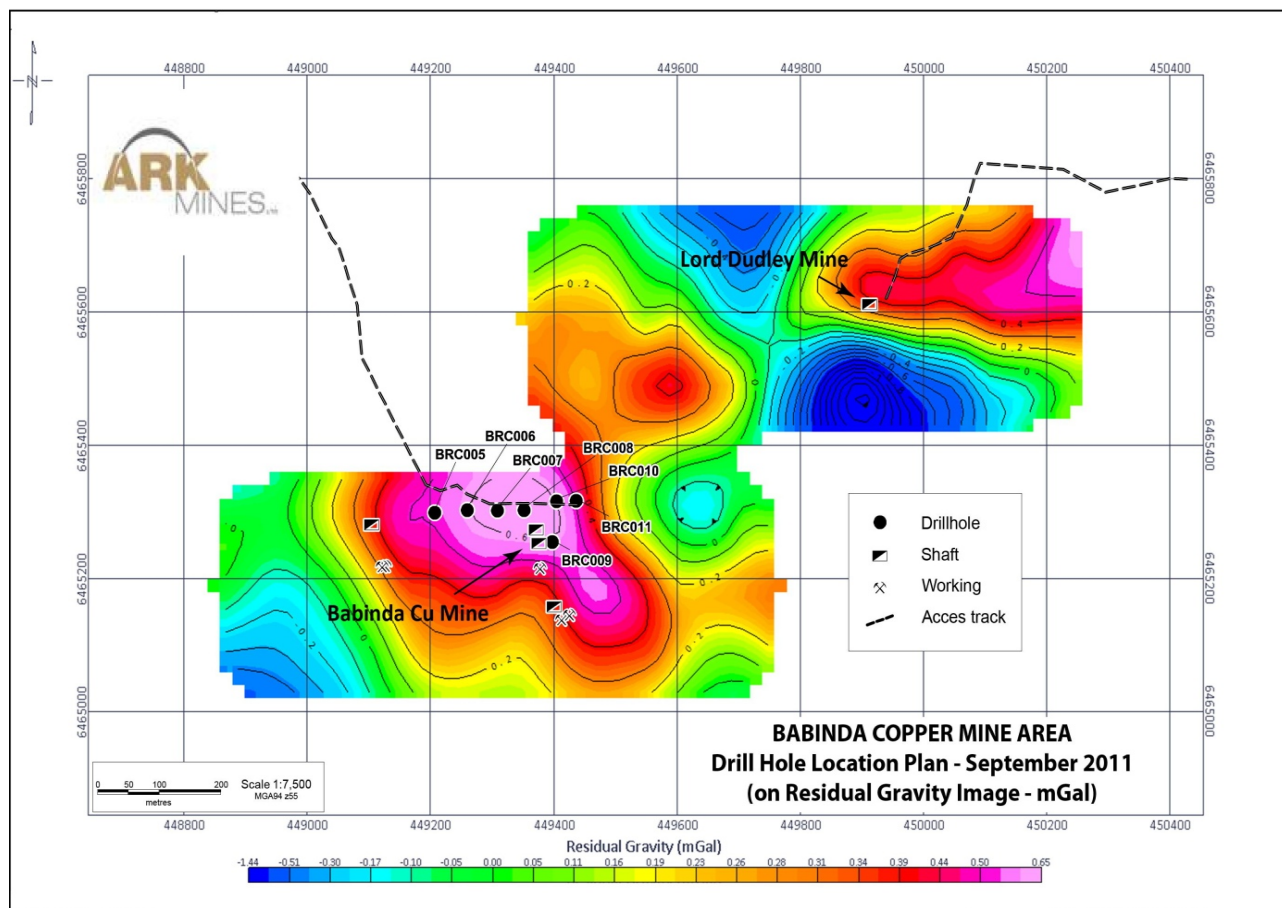


Figure 6 - Babinda gravity.

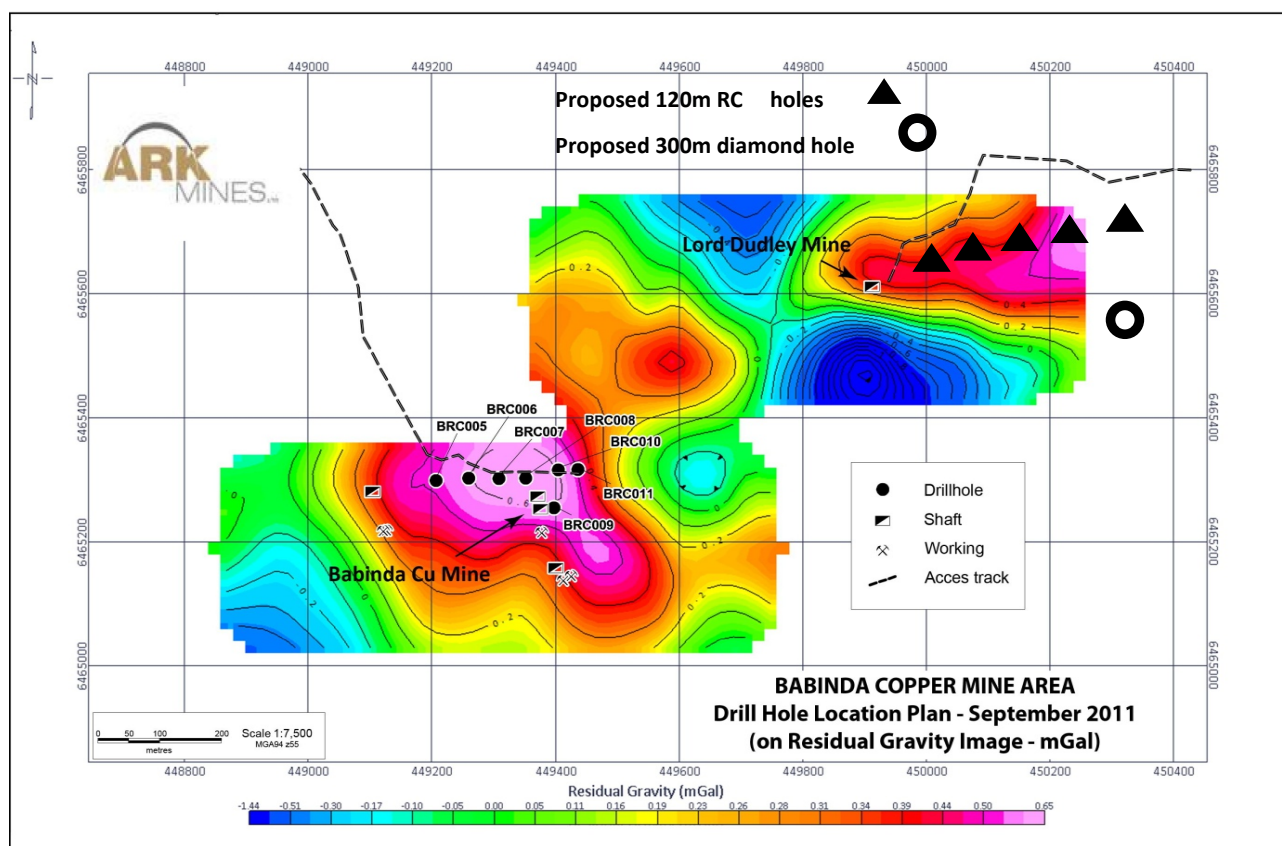


Figure 7 - Babinda gravity map, and proposed drill holes.

MANAGING DIRECTOR'S REVIEW

For the year ended 30 June 2014



ARK MINES LTD

Babinda Project Location

Figure 8- Babinda project location.

Hole No	Easting MGA94z55	Northing MGA94z55	Depth to EOH m	Dip
BRC005	449210	6465300	100	Vertical
BRC006	449250	6465300	100	Vertical
BRC007	449300	6465300	97	Vertical
BRC008	449350	6465300	100	Vertical
BRC009	449400	6465259	100	Vertical
BRC010	449410	6465300	100	Vertical

Table 2 - Babinda drill-hole collar coordinates.



Roger Jackson
Managing Director

29th day of September 2014

The information in this report relates to Exploration Results associated to Ark Tenements, and 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.

Note: Runge Limited who purchased the assets of Resource Evaluations Pty Ltd have reviewed the documentation relating to the Mt Porter resource and have confirmed that this resource estimation conforms to the reporting guidelines of the JORC Code (1999).

FURTHER INFORMATION: Roger Jackson, Managing Director, Ark Mines Ltd.: +61 400 408 550

DIRECTORS' REPORT

For the year ended 30 June 2014

Your Directors present their report together with the financial statements of Ark Mines Ltd (the "Company" or "Ark") for the financial year ended 30 June 2014.

Review of Operations

The Company is primarily focused on:

- NT Activities - gold mining and exploration at Mt Porter and Frances Creek in the Northern Territory; and
- Lachlan Fold Belt Activities - gold exploration at the Babinda and Nangerybone tenements in the Lachlan Fold Belt, New South Wales.

NT Activities

The Company is party to an agreement ("the Agreement") with Arafura Resources Limited ("Arafura") to mine, earn in and joint venture the Mt Porter and Frances Creek gold projects in the Northern Territory. Under the Agreement the Company has an immediate right to mine the Mt Porter ML23839 tenement subject to necessary government approvals and permissions. The Company also has a right to earn a 40% interest in Arafura's Mt Porter and Frances Creek tenements by spending at least \$400k on exploration over a period of 30 months ("First Earnin") of which \$200k must be spent within the first 15 months. The 15-month period initially ended on 15 April 2014 but was extended on 11 July 2014 until 26 December 2014.

As at 30 June 2014, the Company had yet to spend \$384k of the First Earnin amount. Since 30 June, the Company has raised \$346k towards this commitment as follows:

- \$285k by way of a placement of 3.0m shares at \$0.095; and
- \$61k through the conversion 608k options at \$0.100.

The Company expects to raise further capital in the 2015 financial year. Following the First Earnin expenditure, the Company can earn a further 30% interest in the tenements (making a total of 70%) over a period of 24 months by spending at least \$1.6m on exploration and identifying at least 100,000 ounces of gold ("Second Earnin") before entering into a joint venture with Arafura with each making further contributions in proportion to their interests. Further details are included in note 19, or the Company's relevant ASX announcements which were released to the market on 15 January 2013 and 21 July 2014.

Mt Porter is a 34,000oz (1999 JORC) gold project resource announced by Arafura Resources Ltd on 1 April 2004. The Company previously contemplated mining both oxides and sulphides, which is not in its view sufficiently profitable given the recent gold price. The Company is now considering a plan to mine oxides only, which it anticipates would be sufficiently profitable at current gold prices.

Frances Creek, the Company recently undertook drilling at the Golden Honcho project area and is currently awaiting the results of that drilling program. The Company intends to undertake a second phase of drilling at the Golden Slips project area. The Company's intention is to define a JORC resource at Frances Creek as soon as is practicable.

Lachlan Fold Belt Activities

The Company also has a small portfolio of projects in NSW, located in the Lachlan Fold Belt of New South Wales within the established Cobar mining district, a district with long standing mines and proven mineral deposits. These include several large operating mines – CSA, Peak, Endeavour and Triton. All of Ark's Exploration Licences ("EL's") contain defined targets and have been drill tested with the intention of rapidly upgrading and delineating economically viable ore resources. All the ELs are close to railways or roads with a labour force and power readily available.

A full list of the Company's ELs is shown on page 43 of this Annual Report.

The Company has an excellent team of successful and highly experienced Directors and management and it aims to create and add significant value for its shareholders by utilising and leveraging off the skills of its motivated and dedicated team. The Company remains committed to producing revenues as soon as is practicable from Mt Porter in the Northern Territory. The Board is also actively investigating potential mergers and acquisitions that it thinks are in the interests of the Company and its shareholders. Over the last 12 months it has considered many proposals but none have yet met its stringent criteria.

The loss after income tax for the full year ended 30 June 2014 was \$410k (2013: \$2.671m).

Principal Activity

The principal activity of the Company during the financial year ended 30 June 2014 was the exploration and evaluation of gold and other mineral deposits. No change in the principal activity occurred during this period.

Directors

The names of the Directors, who held office from 1 July 2013 to date of this report, unless otherwise stated, are:



Antony B Corel – Non-Executive Independent Chairman

Dip Law, LLM

Mr Corel is a solicitor with significant corporate and managerial experience gained within and outside Australia. Mr Corel was admitted as a solicitor in the Supreme Court of N.S.W. in 1987 and in the High Court of Hong Kong in 2000.

Having a distinguished career spanning four continents he has established himself as a leading practitioner in his field of expertise advising both public and private sector organisations and managing significant commercial, corporate, regulatory and litigious matters. During this time he has developed essential skill sets and experience through his successful management of complex transactions, stakeholders, professional advisers, employees and colleagues.

Between 1995 and 2006 Mr Corel resided outside of Australia and worked in, or advised clients in more than 25 countries. Since returning to Australia in 2006 Mr Corel has, in addition to continuing his practice as a solicitor, accepted managerial roles in various ventures, including Ark, with a view to sharing his experience in law, governance, compliance and management.

Mr Corel was appointed a Director of Ark at the invitation of the then majority Shareholder, Ichiya Co Limited from Japan to review and contribute to the Company's operations. Mr Corel was instrumental in positioning the Company for public listing and was appointed Chairman of Directors.

- Appointed: 22 September 2008
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed Board memberships: Nil
- Previous listed Board memberships: Nil for the last three years

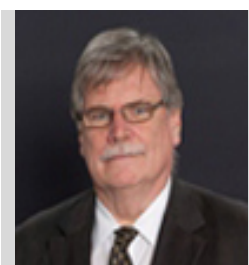


Roger A Jackson – Managing Director

BSc, Dip Ed, Grad Dip Fin Man, MAusIMM, AICD, ADIA

Mr Jackson has held a variety of roles in exploration geology, construction and teaching, including the creation of a School Board endorsed High School Certificate in Mining. Mr Jackson founded Geological Ore Search in 1995 as a geological services and contracting company, later to be GOS Drilling and Australian Gas Drilling. He also is the founder of Every Day Mine Services Limited which is now an ASX listed company specialising in mine services. Mr Jackson is the principal of the mining and exploration consulting RJ Group.

- Appointed: 21 October 2010
- Committee memberships: Nil
- Other listed Board memberships: Nil
- Previous listed Board memberships: Nil for the last three years



Ian B Mitchell – Non-Executive Independent Director & Company Secretary

BA, Dip Law

Mr Mitchell is a practising solicitor of over 36 years' standing. He is the Company Secretary of a number of ASX listed and non-listed public companies. He has over 26 years' experience as a Director and Secretary of listed mining, exploration and industrial. His legal expertise is in commercial law, contract law and ASIC and ASX compliance.

Mr Mitchell was appointed Company Secretary on 16 November 2011.

- Appointed: 29 December 2010
- Committee memberships: Audit & Risk (Chairman), Remuneration & Nomination
- Other listed Board memberships: Reliance Resources Ltd., Medical Australia Ltd.
- Previous listed Board memberships: Nil for the last three years

DIRECTORS' REPORT

For the year ended 30 June 2014

Directors (Cont.)

Robert M McLennan - Non-Executive Director

BSc, BSc (Hons.), MSc, MAusIMM

- Appointed: 21 October 2010
- Passed away: 21 July 2013

Environmental Regulations

The Company is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Company aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Company's contracts or licences.

Dividends

No dividends have been declared in respect of the financial year ended 30 June 2014 (2013: Nil).

Events Subsequent to Balance Date

Events subsequent to balance date are included in note 23 to the financial statements. The Directors are not aware of any matter or circumstance not otherwise dealt with in this Annual Report or in the financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of the Company and for the executives receiving the highest remuneration.

Directors' Interests

The Directors' beneficial interests in shares as at 30 June 2014 are shown in the following table. The Company had not issued any options to Directors as remuneration as at this date.

Director	Holding type	Shares			
		1 July 2013	Acquired	Disposed	30 June 2014
Antony B Corel	Direct	208,010	-	-	208,010
	Indirect	-	-	-	-
	Total	208,010	-	-	208,010
Roger A Jackson	Direct	521,262	120,000	-	641,262
	Indirect	600,000	120,000	-	720,000
	Total	1,121,262	240,000	-	1,361,262
Ian B Mitchell	Direct	1,076,422	1,019,351	110,000	1,985,773
	Indirect	-	-	-	-
	Total	1,076,422	1,019,351	110,000	1,985,773

Remuneration Policy

The Board's remuneration policy determines the nature and amount of remuneration for Board members and senior executives of the Company. The policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration & Nomination Committee and approved by the Board. All executives receive remuneration based on factors such as length of service and experience. The Remuneration & Nomination Committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the consolidated entities strategic objectives. The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities.

The Remuneration & Nomination Committee determines payments to the Non-Executive Directors and reviews their remuneration, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. There were no bonuses paid or proposed to be paid for the year ended 30 June 2014 (2013: Nil). Below is a table summarising key performance and shareholder wealth indicators for the Company for the year ended 30 June 2014 and the previous 3 financial years.

Period	Loss after Tax	EPS (cents per share)	Share Price
Year ending 30 June 2014	(\$410,087)	1.21	\$0.08
Year ending 30 June 2013	(\$2,671,411)	8.22	\$0.08
Year ending 30 June 2012	(\$2,187,193)	7.01	\$0.08
Year ending 30 June 2011	(\$496,860)	1.78	\$0.19

Directors and Key Management Remuneration

Details of the remuneration of the Directors, other Key Management Personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Company) and specified executives are set out in the following table:

	Short- term	Post-employment	Total
	Base fee / salary	Superannuation	
2014	\$	\$	\$
Executive Directors			
Roger A Jackson	124,831	-	124,831
Non-Executive Directors			
Antony B Corel	60,000	5,550	65,550
Ian B Mitchell	40,000	-	40,000
Robert M McLennan ¹	3,333	-	3,333
Total Non-Executive	103,333	5,550	108,883
Total Remuneration	228,164	5,550	233,714
2013			
Executive Directors			
Roger A Jackson	128,680	-	128,680
Non-Executive Directors			
Antony B Corel	60,000	4,500	64,500
Ian B Mitchell	40,000	-	40,000
John C Slade ²	30,000	-	30,000
Robert M McLennan ¹	40,000	-	40,000
Total Non-Executive	170,000	4,500	174,500
Total Remuneration	298,680	4,500	303,180

1. Mr McLennan passed away on 21 July 2013.
2. Mr Slade resigned as a Director 27 March 2013.

In August 2013, all Directors agreed to each defer payment of one third of their monthly Director's fee. In March 2014 all Directors agreed to defer payment of all of their monthly Directors' fees. The Directors have resolved that the deferral of payment of all outstanding fees will be at least until 1 July 2015.

Contracts of Senior Executives

The Managing Director, Mr Jackson, is engaged under Consultancy Agreement. Under this Agreement, Mr Jackson's consulting company (Every Day Hire Pty Ltd) is paid an annual fee, including all Directors' fees, of \$250,000. The Agreement commenced on 14 November 2010 for an initial term of 24 months. The contract may be terminated by either party providing 90 days written notice or 20 business days notice if there is a breach of the agreement. No termination payments are payable.

DIRECTORS' REPORT

For the year ended 30 June 2014

In July 2012, Mr Jackson agreed to reduce the annual fee to \$125,000. In common with the Non-Executive Directors, in August 2013, Mr Jackson agreed to defer payment of one third of his monthly fee. In common with the Non-Executive Directors, in March 2014 Mr Jackson agreed to defer payment of all of his monthly fees. The Directors have resolved, and Mr Jackson has agreed, that the deferral of payment of all outstanding fees will be at least until 1 July 2015.

Gender Diversity

The Company currently has no employees, including women. When the Company reaches a suitable size, it will endeavour to employ suitably qualified women to fill at least one third of its employment positions.

This concludes the Remuneration Report, which has been audited.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company.

Directors' Meetings

The number of Directors' meetings and meetings of committees of Directors of Ark Mines Ltd (including by way of circular resolution) held during the year ended the 30 June 2014 and the numbers of meetings attended by each Director are as follows:

Director	Board		Audit & Risk Committee		Rem. & Nom. Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Antony B Corel	10	10	4	4	1	1
Roger A Jackson	10	10	-	-	-	-
Ian B Mitchell	10	10	4	4	1	1
Robert M McLennan	0	0	-	-	-	-

As well as formal Directors' meetings, Executive and Non-Executive Directors are in frequent communication by telephone, email and fax.

Likely Developments

The Company intends to pursue its rights and obligations under its agreement with Arafura Resources Limited ("Arafura") to mine, Earnin and joint venture the Mt Porter and Frances Creek gold projects in the Northern Territory. Under the Agreement the Company has a First Earnin obligation to spend at least \$400k on exploration over a period of 30 months of which \$200k must be spent before 26 December 2014. As at 30 June 2014, \$16k of this amount had been spent leaving \$184k of the first amount outstanding.

Further details are included in note 19, or the Company's relevant ASX announcements which were released to the market on 15 January 2013 and 21 July 2014.

Since the end of the financial year the Company has raised a further \$346k towards funding its First Earnin \$384k obligation plus other exploration expenditure and working capital.

Indemnifying Officers and Auditor

During the financial year the Company paid premiums to insure all Directors and officers of the Company against claims brought against the individual while performing services for the Company and against expenses relating thereto, other than conduct involving a wilful breach of duty in relation to the Company. The Company is prohibited under its contract for insurance from disclosing the amount of the premiums paid.

The Company has indemnified Directors and staff to the extent possible under the Corporations Law against any liabilities incurred by the person as an officer of the Company. The Company has also provided an indemnity to its contracted accounting staff for liabilities incurred in acting in this capacity. The Company has not indemnified the auditor.

Shares Under Option

During the year, the Company issued the following options to participants in its Rights Issue.

Issue date	Number	Expiry date	Exercise price	Class
12 August 2013	819,777	11 August 2014	\$0.10	Unlisted

On 8 August 2014 the Company issued 608,211 ordinary shares as a result of the exercise of 608,211 of these options. Of these 408,211 shares were issued to Mr I B Mitchell, and 120,000 shares were issued to Mr R A Jackson.

The balance of 211,566 options expired on 11 August 2014. As at the date of this report the Company has no outstanding options over shares. Option holders do not have any rights under the options to participate in any share issues of the Company.

Non Audit Services

The Auditor provided no other services during the financial year ended 30 June 2014.

Officers of the Company who are former Audit Partners of BDO East Coast Partnership (formerly PKF East Coast Practice)

There are no officers of the Company who are former Partners of BDO East Coast Partnership.

Auditor Independence Declaration

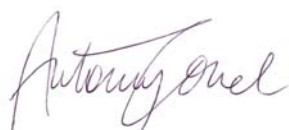
The auditor's independence declaration for the year ended 30 June 2014 has been received and a copy is reproduced on page 16.

BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

Proceedings on Behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors.



Antony B Corel
Chairman

Sydney, 29 September 2014

AUDITOR'S INDEPENDENCE DECLARATION

For the year ended 30 June 2014



Tel: 61 2 9251 4100
Fax: 61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF ARK MINES LTD

As lead auditor of Ark Mines Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'J Bresolin', is written over a faint, light blue circular watermark.

John Bresolin
Partner

Sydney 29 September 2014

The Board of Directors is responsible for the overall Corporate Governance of the Company and oversight of management, and for protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for administration.

The Board is committed to maintaining the highest standards of Corporate Governance possible within the framework of its current organisation and structure. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (the "Council"). The Company's practices are consistent with the Council's guidelines. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When the Company is not able to implement one of the Council's recommendations the Company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted recommendation 1.1 and discloses the functions reserved to the Board and those delegated to senior executives on the appointment of every new Director and senior executive.

1.1 The Board – role and responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within the knowledge of the Board, appropriate external advice is taken and reviewed prior to a final decision being made by the Board. Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and

operations and the monitoring of the financial performance of the Company;

- the resourcing, reviewing and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

1.2 Evaluation of performance of executives

The Company has adopted recommendation 1.2 for evaluating the performance of senior executives.

That evaluation is by way of a report on such performance by the Managing Director to the Remuneration & Nomination Committee whenever the Company has senior executives in employment. The Company currently has no senior executives other than the Managing Director in employment as exploration activities have been limited over the past year.

1.3 Reporting on Principle 1

The Company has implemented evaluations for senior executives upon the recommendation of the Managing Director. The Remuneration & Nomination Committee will carry out this task.

The performance evaluation for the Managing Director will be conducted by the Chairman of the Board.

Principle 2 – Structure the Board to add value

2.1 Board of Directors - composition, structure and process

The Board has been formed so that its effective composition, size and commitment adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities. Due to the small size of the Company, the Board is made up of three Directors. Two Directors are not involved in management, but both have experience as Directors in mining exploration companies.

There are two independent Directors on the Board. All Directors are required to bring to the Board their independent judgement, irrespective if they are independent or not.

2.2 Regular assessment of independence

An Independent Director, in the view of the Company, is a Non-executive Director who:

- within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2014

- is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

2.3 Office of Chairman and Managing Director

The office of Chairman is held by an independent Director.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Company's management. The Managing Director of the Company performs the role of Chief Executive Officer.

2.4 Remuneration & Nomination Committee

The Board has established a Remuneration & Nomination Committee and Charter. The Committee considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act and ASX Listing Rules.

The Remuneration & Nomination Committee is appointed by the Board. The Committee will implement the functions listed below.

The responsibilities assumed by the Remuneration & Nomination Committee include:

- Board and senior executive functions;
- Board composition;
- number of Board members;
- criteria for nomination of Directors;
- selection and appointment of the Chairman;
- selection and appointment of the Secretary;
- determining the frequency of meetings of the Committee;
- seeking professional advice when required;
- oversight of Board and executive succession plans; and
- evaluating the performance of senior executives.

2.5 Performance review and evaluation

The Company discloses its process for evaluating the performance of the Board, Committees and Independent Directors.

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed by the Board. There is ongoing monitoring by the Chairman and the Board of such knowledge, information and experience. The Chairman also speaks with each Director individually regarding their role as a Director.

2.6 Evaluation process

Induction and education

The Company has a policy of providing each new Director or officer with a copy of the following documents:

- Audit & Risk Committee Charter;
- Remuneration & Nomination Committee Charter;
- Code of Conduct & Ethical Standards;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Constitution.

Access to information

Each Director has access to Board papers and all relevant documentation.

Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board consists of a relevant blend of personal experience in geology and geophysics, accounting and finance, law, financial and investment markets, financial management and public company administration, and Director-level business or corporate experience required by the Company.

Independent directors

The Company considers that two of the three current directors are Independent Directors. The names, qualifications, experience of each Director and period in office are as set out in the Annual Report, as well as whether the Board considers them to be Independent Directors.

Professional advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

Terms of appointment as a Director

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election.

The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Principle 3 – Promote ethical and responsible decision making

3.1 Code of Conduct & Ethical Standards

The Company has established a formal Code of Conduct & Ethical Standards that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

The Code of Conduct & Ethical Standards outlines:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account legal obligations and reasonable expectations of stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Access to company information and confidentiality

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential, information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Share dealings and disclosures

The Company has adopted a Share Trading Policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

Conflict of interest

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and

reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

Related party transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

3.2 Diversity

The Company has established a policy concerning diversity.

3.3 Disclosure of diversity objectives

The Company discloses in each Annual Report the measurable objectives for achieving gender diversity in accordance with the diversity policy and the current position in relation thereto.

3.4 Proportion of women employees

The Company discloses in each Annual Report the proportion women employees in the organisation, senior executive positions and on the Board.

3.5 Publicly available information

The Company makes publicly available on the Company's website, the Share Trading Policy, and Continuous Disclosure Policy and Code of Conduct & Ethical Standards under the corporate governance section.

Principle 4 – Safeguard integrity in financial reporting

4.1 Audit & Risk Committee

The Company has established an Audit & Risk Committee which has a corresponding Charter. The objective of the Committee is to make recommendations to the Board regarding, the adequacy of the external audit, risk management and compliance procedures. The Committee evaluates from time to time the effectiveness of the financial statements prepared for the Board meetings and ensures that an independent judgement is exercised in relation thereto.

4.2 Membership of Audit & Risk Committee

The two independent Directors are members of the Audit & Risk Committee and the Audit & Risk Committee is not chaired by the Chairman of the Company.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2014

4.3 Charter of Audit & Risk Committee

The Audit & Risk Committee Charter includes the following:

- duties and responsibilities of the Committee;
- meetings requirements and procedures;
- complaints procedures;
- composition of the Audit & Risk Committee;
- structure of the Audit & Risk Committee;
- number of meetings;
- membership requirements: and
- selection, appointment and rotation of the external auditor.

4.4 Members and qualifications of Audit & Risk Committee

The members and qualifications of the Audit & Risk Committee are as set out in the Annual Report together with the number of meetings each member attended.

Principle 5 – Make timely and balanced disclosure

5.1 Continuous disclosure to the ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with shareholders.

Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities; and
- the announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

5.2 Disclosure Policy

The Company has adopted a Continuous Disclosure Policy which is included in the Company website.

Principle 6 – Respect the rights of shareholders

6.1 Communications

The Company has not adopted recommendation 6.1 because it does not have a formal Shareholders' Communication Policy.

6.2 Information to shareholders

Although the Company does not have a Shareholder Communication Policy the Company recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website and on the ASX website.

Principle 7 - Recognise and manage risk

7.1 Risk management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control. The Board regularly reviews and monitors areas of significant business risk.

7.2 Risk management control

The Board has the oversight function of risk management and internal control systems. Therefore the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal control and risk management

The primary vehicle for managing corporate risks is the Audit & Risk Committee appointed by the Board. The Committee reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company ensures that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

The internal audit function is carried out by the Audit & Risk Committee.

7.3 CEO and Company Secretary declarations

The Board has determined that the Managing Director and the Company Secretary are the appropriate persons to make the CEO and CFO declarations in respect of each financial year ended, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

7.4 Internal controls and risk management

- The Board conducts its evaluations regarding internal control and risk management;
- the Board has received the assurance of compliance from the Managing Director and Company Secretary;
- the Company does not have a written policy on the oversight and management of material business risks because the number of people engaged in the Company's operations is insufficient to warrant production of a detailed policy document; and
- independent professional advice - subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Principle 8 – Remunerate fairly and responsibly

8.1 Remuneration & Nomination Committee

The Board has established a Remuneration & Nomination Committee which reports to the Board.

8.2 Remuneration & Nomination Committee Charter and responsibilities

The Company has established a Remuneration & Nomination Committee Charter. The role and responsibility of the Committee/Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- Non-executive Directors' remuneration;
- performance measurement policies and procedures;
- administration of the Company's Diversity Policy;
- Board evaluation and performance of Directors; and
- issue and allotment of options to Directors and senior executives.

Composition of the Remuneration & Nomination Committee

The Remuneration & Nomination Committee is structured so that is made up of:

- only Non-executive Directors;
- a majority of Independent Directors; and
- an independent Chairman, who is not chairman of the Board.

8.3 Remuneration policy

The Directors' remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. The Managing Director has entered into a Directors Service Agreement for a term not exceeding three years. Consultants are engaged as required pursuant to service agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of

the Company. All salaries of Directors and statutory officers are disclosed in the Annual Report of the Company each year.

8.4 Salaries and allowances

- The salary component of the Managing Director's remuneration is made up of fixed remuneration;
- the salary component of Non-executive Directors is made up of fixed remuneration;
- the Company discloses the names of Directors in the Remuneration & Nomination Committee in its Annual Report;
- the Company does not provide any schemes for retirement; and
- the Company has made publicly available a summary of the Remuneration & Nomination Committee Charter on the Company's website.

8.5 Corporate governance compliance

Compliance with Corporate Governance Principles

The Company confirms that it complies with ASX Listing Rule 4.10.3 relating to Corporate Governance Reporting except where specifically otherwise mentioned in this Corporate Governance Statement.



ACN 123 668 717

Financial Statements

For the year ended 30 June 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note	2014	2013
		\$	\$
Revenue from ordinary activities			
Interest income		2,055	23,502
Less: Expenses			
Accounting and secretarial expenses		61,541	67,395
ASX listing fees		12,610	12,100
Audit fees	15	37,500	43,000
Computer and communications		8,993	14,780
Depreciation	9	763	1,082
Directors' fees	17	195,446	303,180
Impairment of exploration and evaluation expenditure capitalised	7	6,839	1,903,800
Impairment of Marsuparia non-refundable deposit		-	262,764
Insurance		18,170	28,681
Legal fees		-	4,132
Printing and stationery		7,321	4,224
Share registry costs		14,974	19,619
Title management and tenement reporting		27,465	6,412
Travel and accommodation expenses		14,791	20,967
Other expenses from ordinary activities		5,664	1,569
Total expenses		(412,077)	(2,693,705)
Loss from operating activities		(410,022)	(2,670,203)
Finance costs		65	1,208
Loss before income tax		(410,087)	(2,671,411)
Income tax expense	4	-	-
Loss from continuing operations after income tax		(410,087)	(2,671,411)
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		(410,087)	(2,671,411)
Earnings per share			
Basic - cents per share	21	(1.21)	(8.22)
Diluted - cents per share	21	(1.21)	(8.22)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014	2013
		\$	\$
Current assets			
Cash and cash equivalents	5	29,772	236,392
Trade and other receivables	6	34,691	69,873
Prepayments		5,213	18,345
Total current assets		69,676	324,610
Non-current assets			
Exploration and evaluation expenditure	7	1,005,878	938,679
Environmental bonds	8	20,000	30,000
Plant and equipment	9	1,145	1,908
Total non-current assets		1,027,023	970,587
Total assets		1,096,699	1,295,197
Current liabilities			
Trade and other payables	10	60,762	27,830
Total current liabilities		60,762	27,830
Non-current liabilities			
Other payables	11	110,972	-
Total non-current liabilities		110,972	-
Total liabilities		171,734	27,830
Net assets		924,965	1,267,367
Equity			
Contributed equity	12	8,352,705	8,285,020
Accumulated losses	13	(7,427,740)	(7,017,653)
Total equity		924,965	1,267,367

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014	2013
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(242,256)	(606,383)
Interest received		2,055	23,502
Interest paid		(65)	(1,208)
Net cash used in operating activities	14	(240,266)	(584,089)
Cash flows from investing activities			
Refunds of environmental deposits		40,000	-
Payment for exploration and evaluation expenditure		(74,039)	(368,114)
Net cash used in investing activities		(34,039)	(368,114)
Cash flows from financing activities			
Proceeds from share issue		81,978	-
Capital raising costs		(14,293)	(1,650)
Net cash provided by financing activities		67,685	(1,650)
Net (decrease) in cash held		(206,620)	(953,853)
Cash at beginning of financial year		236,392	1,190,245
Cash at end of financial year	14	29,772	236,392

The above statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Note	Issued capital	Acc. losses	Total
		\$	\$	\$
2014				
Balance at 1 July 2013		8,285,020	(7,017,653)	1,267,367
Total comprehensive income for the year		-	(410,087)	(410,087)
Total		8,285,020	(7,427,740)	857,280
<u>Transactions with owners in their capacity as owners</u>				
Ordinary shares issued, net of transaction costs	12	67,685	-	67,685
Balance at 30 June 2014	12	8,352,705	(7,427,740)	924,965
2013				
Balance at 1 July 2012		8,192,670	(4,346,242)	3,846,428
Total comprehensive income for the year		-	(2,671,411)	(2,671,411)
Total		8,192,670	(7,017,653)	1,175,017
<u>Transactions with owners in their capacity as owners</u>				
Ordinary shares issued, net of transaction costs	12	92,350	-	92,350
Balance at 30 June 2013	12	8,285,020	(7,017,653)	1,267,367

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. Reporting Entity

The financial report is for the entity Ark Mines Ltd (referred herein also as the “Company” or “Ark”) as an individual entity. Ark Mines Ltd is a company limited by shares incorporated and domiciled in Australia with its registered address at level 11, 37 Bligh Street Sydney Australia. Ark Mines Ltd is listed on the ASX.

The principal activity of the Company during the year was the exploration for gold and other mineral deposits.

2. Basis of Preparation

Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001, as appropriate for-profit oriented entities.

The financial statements of the Company comply with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’).

The financial statements were authorised for issue by a resolution of the Board dated 29 September 2014.

Basis of measurement

These financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The financial report has been presented in Australian Dollars (\$) which is the functional currency of the Company.

Use of estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Information about critical judgements in applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 7 – Capitalised Exploration and Evaluation Expenditure

3. Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Items of office equipment have limited lives and are depreciated on a straight line basis over their estimated useful lives.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed to the statement of profit or loss and other comprehensive income.

Office furniture and fittings are depreciated at the rate of 20% per annum. Computer equipment is depreciated at the rate of 33% per annum.

De-recognition and disposal

An item of office equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income in the year the asset is de-recognised.

Capitalised exploration and evaluation expenditure

Capitalised exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Once an area of interest enters a development phase, historical capitalised exploration expenditure is transferred to capitalised development expenditure.

Accumulated costs in relation to an abandoned area are written off in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Expenditure relating to pre-exploration activities is written-off to the statement of profit or loss and other comprehensive income during the period in which the expenditure is incurred.

Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the reporting date.

Deferred tax is accounted for using the statement of financial position method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally settled between 7 days and 30 days terms.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis.

Interest income

Interest revenue is recognised using the effective interest rate method taking into account rates applicable to the financial assets.

Foreign currency transactions and balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are converted at the rates of exchange ruling at that date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in the statement of profit or loss and other comprehensive income as they arise.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the equity as a deduction net of tax, from the proceeds.

Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

New, revised or amending accounting standards and interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Impact of standards issued but not yet applied by the entity

AASB 9: Financial Instruments

Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:

- Amortised cost;
- Fair value through profit or loss; and
- Fair value through other comprehensive income.

The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

Adoption of AASB 9 is only mandatory for reporting periods commencing on or after 1 January 2015. The entity has not yet made an assessment of the impact of these amendments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

4. Income Tax Expense

The prima facie tax benefit on loss before income tax is reconciled to the income tax expense as follows:

	2014	2013
	\$	\$
Prima facie income tax benefit on loss before income tax at 30%	(123,026)	(801,423)
<u>Add tax effect of:</u>		
Non allowable expenses	450	80,115
<u>Add/(deduct) temporary differences not brought to account comprising:</u>		
Capital raising expenses	(29,131)	(28,273)
Exploration expenditure	(22,212)	(138,634)
Other temporary differences	38,480	567,111
Tax losses not recognised	135,439	321,104
Income tax expense	-	-

Deferred Income Tax – 2014

Deferred tax assets have not been recognised in respect of the following items

	Opening	Movement	Closing
	\$	\$	\$
Accruals	4,268	(2,468)	1,800
Capital raising expenses	86,925	(24,842)	62,083
Provisions	-	34,957	34,957
Deposits	-	-	-
Tax losses	2,438,553	135,438	2,573,991
Total Deferred Tax Assets	2,529,746	143,085	2,672,831

Deferred tax liabilities have not been recognised in respect of the following items:

Prepaid expenses	5,504	(3,940)	1,564
Exploration and evaluation expenditure	281,604	20,159	301,763
Total Deferred Tax Liabilities	287,108	16,219	303,327

Deferred Income Tax – 2013

Deferred tax assets have not been recognised in respect of the following items

Accruals	9,738	(5,470)	4,268
Capital raising expenses	86,467	458	86,925
Provisions	523	(523)	-
Deposits	(78,829)	78,829	-
Tax losses	2,220,231	218,322	2,438,553
Total Deferred Tax Assets	2,238,130	291,616	2,529,746

Deferred tax liabilities have not been recognised in respect of the following items:

Prepaid expenses	(4,254)	9,758	5,504
Exploration and evaluation expenditure	1,057,663	(776,059)	281,604
Total Deferred Tax Liabilities	1,053,409	(766,301)	287,108

The tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Company can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014	2013
	\$	\$
5. Cash and Cash Equivalents		
Cash at bank	29,772	236,392
6. Trade and Other Receivables		
Bonds on relinquished tenements or tenements to be relinquished	30,000	60,000
GST recoverable	1,102	9,873
Other receivables	3,589	-
Total other receivables	34,691	69,873
None of the receivables are past due or impaired at end of the reporting date.		
7. Capitalised Exploration and Evaluation Expenditure		
Opening balance	938,679	2,380,365
Capitalised during the year	74,038	462,114
Impaired during the year	(6,839)	(1,903,800)
Closing Balance	1,005,878	938,679
The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of respective areas. The Company reviews annually the carrying value of the exploration and evaluation expenditure, and will capitalise the expenditure if it considers the area of interest to be prospective. Should the particular area of interest no longer be considered prospective, then the Company will make a provision in the accounts for the carrying value of the project. The list of tenements the Company has an interest in is disclosed on page 43.		
8. Environmental Bonds		
EL 7973 Babinda	10,000	10,000
EL 6726 Nangerybone	10,000	10,000
EL7988 Blackfellows Dam	-	10,000
Total environmental bonds	20,000	30,000
9. Plant and Equipment		
Office equipment		
At cost		
Opening balance	2,798	4,394
Disposals	-	(1,596)
Closing balance	2,798	2,798
Accumulated depreciation		
Opening balance	(890)	(375)
Charge for the year	(763)	(1,082)
Disposals	-	567
Closing balance	(1,653)	(890)
Total plant and equipment	1,145	1,908

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014	2013
	\$	\$
10. Trade and Other Payables		
Trade creditors	49,212	11,413
Accruals	11,550	16,417
Total trade and other payables	60,762	27,830

Refer to note 20 for detailed information on financial instruments.

11. Other Payables		
Deferred Directors' fees	110,972	-
Total other payables	110,972	-

The Directors have resolved that the deferral of all outstanding fees will be at least until 1 July 2015.

12. Contributed Equity		
34,019,777 (2013: 33,200,000) Ordinary shares fully paid		
Ordinary Shares Number	No.	No.
Balance at the beginning of the year	33,200,000	32,200,000
<u>Shares issued during the period</u>		
Ordinary shares issued – 12 August 2013 @ \$0.100	819,777	-
Ordinary shares issued – 13 March 2013 @ \$0.094	-	1,000,000
Balance at the end of the financial year	34,019,777	33,200,000
Ordinary Shares Value	\$	\$
Balance at the beginning of the year	8,285,020	8,192,670
<u>Shares issued during the period</u>		
Issued for cash	81,978	-
Issued as share based payment	-	94,000
Share issue costs	(14,293)	(1,650)
Balance at the end of the financial year	8,352,705	8,285,020

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. The Company's shares have no par value. On 12 August 2013 the Company issued 819,777 options over ordinary shares exercisable at \$0.10 per share expiring 11 August 2014.

Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can produce return for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's share price at the time of the investment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

13. Accumulated Losses

Balance at the beginning of the year
Net loss attributable to members of the entity
Balance at the end of the year

2014	2013
\$	\$
(7,017,653)	(4,346,242)
(410,087)	(2,671,411)
(7,427,740)	(7,017,653)

14. Cash Flow Information

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position

Cash at bank

29,772	236,392
---------------	----------------

Reconciliation of net cash used in operating activities with loss from continuing operations after income tax

Loss from continuing operations after Income Tax

(410,087)	(2,671,411)
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Less: non-cash items

Depreciation

763	1,082
-----	-------

Loss on disposal of fixed asset

-	1,029
---	-------

Impairment of exploration and evaluation expenditure capitalised

6,839	1,903,800
-------	-----------

Impairment of Marsuparia non-refundable deposit

-	262,764
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Deferred Directors' fees

110,972	-
---------	---

Add: movements in working capital

(Increase) / decrease in prepayments

13,133	(4,165)
--------	---------

(Increase) / decrease in trade and other receivables

5,182	(23,612)
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Increase / (decrease) in trade and other payables

32,932	(53,576)
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Net cash used in operating activities

(240,266)	(584,089)
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15. Auditor's Remuneration

Auditing or reviewing the financial reports

37,500	40,000
--------	--------

Other advisory services

-	3,000
---	-------

Total

37,500	43,000
---------------	---------------

16. Share Based Payment

Date	Creditor	No. of shares	Valuation	Value per share	Total \$	Purpose
2014						
There were no share based payments in the 2014 financial year.						
2013						
13 March 2013	Global Mineral Resources Limited	1,000,000	5-day VWAP	\$0.094	94,000	Consideration for facilitating agreement with Arafura Resources Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

17. Directors and Key Management Personnel Disclosures

Directors

Antony B Corel

Roger A Jackson

Ian B Mitchell

Position

Chairman – Non-Executive

Managing Director

Director - Non-Executive
Company Secretary

Directors' equity holdings including holdings of their personally related entities as at 30 June 2014

	Opening	Acquired	Disposed	Closing
Antony B Corel	208,010	-	-	208,010
Roger A Jackson	1,161,262	240,000	-	1,401,262
Ian B Mitchell	1,076,422	1,019,351	110,000	1,985,773

Short-term employee benefits compensation

Directors

Executive

Roger A Jackson

Non-Executive

Antony B Corel

Ian B Mitchell

John C Slade¹

Robert M McLennan²

Total directors

Total remuneration

	2014	2013
	\$	\$
Roger A Jackson	124,831	128,680
Antony B Corel	60,000	60,000
Ian B Mitchell	40,000	40,000
John C Slade ¹	-	30,000
Robert M McLennan ²	3,333	40,000
Total directors	228,164	298,680
Total remuneration	228,164	298,680

1. Mr Slade resigned as a Director of the Company on 27 March 2013

2. Mr McLennan passed away on 21 July 2013

Mr Corel also received post-employment benefits of \$5,550 (2013: \$4,500) being superannuation contributions agreed to be paid to him at the time that the Company was listed on the ASX. Mr Corel has not entered into a contract of service with the Company.

A portion of Mr Jackson's compensation totalling \$38,268 was capitalised against Exploration and Evaluation Expenditure.

The Company has no other Key Management Personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014	2013
	\$	\$
18. Related Party Transactions		
Roger Jackson - Managing Director		
Every Day Hire Pty Ltd – expense reimbursements	-	308
Torpedo Drilling Pty Ltd – drilling services	-	1,807
Ian Mitchell - Non-executive Director		
Websters Solicitors – expense reimbursement	-	31
Robert McLennan - Non-executive Director		
Mineral Exploration Consultants Pty Ltd – consulting, equipment & expenses	-	1,261
Total related services payments	-	3,407

All related party transactions have to receive Board approval in advance. All payments to related parties also receive Board approval. All transactions with Directors and their associates are conducted on an arms-length basis and in the ordinary course of business. The Board is sufficiently knowledgeable and experienced to ensure that amounts paid for these services is in line with commercial expectations.

19. Commitments

Exploration expenditure commitments

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

Within 1 year	56,641	161,127
More than 1 year but not later than 5 years	-	30,267
Total	56,641	191,394
Operating expenditure commitment		
Minimum fees payable under Managing Director's Consultancy Agreement ¹	31,250	31,250
Other commitment		
Mt Porter and Frances Creek minimum obligation – refer over page	183,864	200,000
Total	183,864	200,000

1. This amount doubles after the raising of further capital – Remuneration Report refers.

Mt Porter and Frances Creek gold projects

On 15 January 2012, the Company announced that it had entered into an agreement with Arafura to mine, farm and joint venture the Mt Porter and Frances Creek gold projects in the Northern Territory.

The agreement provides amongst other things that in order to earn a 40% interest in Arafura's Mt Porter and Frances Creek tenements (the "Tenements"), Ark must spend at least \$400,000 on exploration and evaluation of the Tenements before 15 July 2015, of which \$200,000 had to be spent before 15 April 2014.

19. Commitments (cont.)

Mt Porter and Frances Creek gold projects (cont.)

As at 30 June 2014, \$183,864 of this commitment was outstanding pending the raising of additional funds.

On 21 July 2014 Arafura agreed to extend the date by which the outstanding amount must be spent from 15 April 2014 to 26 December 2014.

On 21 July 2014, the Company raised \$285,000 to meet this commitment. On 11 August 2014 it raised a further \$60,821.

The agreement provides that Ark may withdraw at any time after spending the first \$200,000 referred to above however following the expenditure of the full \$400,000 referred to above, Ark may earn an additional 30% interest the Tenements by spending least \$1,600,000 on further exploration and evaluation and identifying at least 100k oz. gold. Alternatively, following the expenditure of the full \$400,000 referred to above, Ark may acquire a 100% interest in the Tenements for \$2,000,000.

Professional Edge Pty Ltd

In July 2013, the Company's accounting and administration services provider agreed to cap its fees exclusive of GST at \$3,000 per month with the balance if any, to be paid at a future date in shares at an issue price of \$0.10 per share. As at 30 June 2014, the Company was committed to issuing 253,500 ordinary shares to Professional Edge Pty Ltd or its nominee. On 24 July 2014 these shares were issued to Mr Ian Keith White who is a principal of Professional Edge Pty Ltd.

On 1 July 2014 Professional Edge Pty Ltd agreed to defer its fees (if any) in excess of the \$3,000 cap on the same terms as Directors had agreed to defer their fees.

20. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

Exposure to currency risk, interest rate risk, commodity price risk, and liquidity risk arises in the normal course of the business. The Company's overall financial risk management strategy is to seek to ensure that the Company is able to fund its business plans. The Company does not have derivative financial instruments as at 30 June 2014.

The Company uses various measures dependent on the types of risk to which it is exposed. These methods include cash flow at risk analysis in the case of interest rate and foreign exchange risk. Financial risk management is carried out by the Managing Director under policies approved by the Directors. The Directors provide written principles for overall risk management.

	Note	Current interest rate	Floating interest rate	Non-interest bearing	Total
			\$	\$	\$
Financial assets					
Cash held in general account	5	0.00%	29,454	-	29,454
Cash held in investment account	5	0.00% ¹	318	-	318
Trade and other receivables	6	-	-	34,691	34,691
Financial liabilities					
Trade and other payables	10 & 11	-	-	171,734	171,734

1. 2.35% for balances over \$10,000.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk exposure is limited to cash and cash equivalents. Management have reduced this risk by depositing cash with financial institutions with a credit rating of AAA or higher.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

20. Financial Risk Management (cont.)

Interest rate risk

The Company's main interest rate risk arises from interest earnings on its surplus cash. The Company is exposed to interest rate risk to the extent its interest earnings may fluctuate. The impact of a 1% movement in the interest rate on the funds invested when all other variables are held constant is immaterial.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to meet ongoing operational requirements, exploration expenditure, and small to medium sized opportunistic projects and investments, by keeping surplus cash available.

The Company's objective is to safeguard its ability to continue as a going concern and to maintain a conservative capital structure so that management can focus on running its core business together with being an attractive company for shareholders and potential investors. The Company will consider the most appropriate use of debt and equity to maximise its returns while maintaining a low risk capital structure.

Fair values

The Company has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. The fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

21. Earnings Per Share

Ordinary share number 2014 financial year

Balance at the beginning of the year

Shares issued during the period

Issued 12 August 2013

Balance at end of the year

No	No
	Weighted Av.
33,200,000	33,200,000
819,777	723,201
34,019,777	33,923,201

Ordinary share number 2013 financial year

Balance at the beginning of the year

Shares issued during the period

Issued 13 March 2013

Balance at end of the year

32,200,000	32,200,000
1,000,000	298,630
33,200,000	32,498,630

Total comprehensive income for the year

2014	2013
\$	\$
(410,087)	(2,671,411)

Earnings per share

Basic - cents per share

Diluted - cents per share

(1.21)	(8.22)
(1.21)	(8.22)

22. Going Concern

The Company has incurred a net loss after tax of \$410,087 (2013: \$2,671,411) for the full year and net cash outflows from operating activities of \$240,266 (2013: \$584,089). The Company also intends to meet the minimum outstanding commitment of \$183,864 under the Mt Porter and Frances Creek Agreement as disclosed in Note 19. These conditions may give rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The financial statements are prepared on a going concern basis as Company's cash flow forecast indicates it will remain cash positive until the end of September 2015. This forecast includes the Company's \$183,864 Mt Porter and Frances Creek commitments to 26 December 2014. The forecast assumes that the Directors will be able to raise further capital of at least \$350,000 in the 2015 financial year in addition to the capital raising completed in July and August 2014.

Based on the Company's previous successful capital raisings, the Directors believe that further capital can be raised for ongoing activities including the Company's commitments for further investment in Mt Porter and Frances Creek to earn a greater share of these tenements. Ark was successful in its placement 4,200,000 shares during the 2012 financial year and has since raised a further \$285,000 through a placement of 3,000,000 shares on 21 July 2014 and a further \$60,821 on 11 August 2014. On this basis the Directors are of the opinion that the financial statements can be prepared on a going concern basis and the Company will be able to pay its debts as and when they fall due and payable.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

23. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except as follows:

On 21 July 2014 the Company made a placement of 3,000,000 ordinary shares at an issue price of \$0.095 per share to raise \$285,000 to fund the exploration and development to production of the Mt Porter and Frances Creek tenements.

On 21 July 2014 the Company announced that it planned to commence drilling at its Frances Creek project, and that Arafura Resources Limited had agreed to extend from 15 April 2014 to 26 December 2014, the date by which Ark is required to undertake its agreed \$200,000 First Earnin expenditure.

On 24 July 2014, the Company issued 253,500 ordinary shares to a principal of Professional Edge Pty Ltd in full settlement of an outstanding liability for professional services rendered.

On 11 August 2014 the Company issued 608,211 ordinary shares at an issue price of \$0.10 per share as a consequence of the exercise of options to raise \$60,821 to fund working capital.

On 19 August 2014 the Company announced that it had received approval from the Department of Mines and Energy in the Northern Territory to commence mining activities at its Golden Honcho (Frances Creek) project and that it would commence drilling as soon as a suitable contractor had been engaged.

On 9 September 2014 the Company announced that it had appointed a drilling contractor to commence the planned drilling programme at its Golden Honcho (Frances Creek) project.

DIRECTORS' DECLARATION

For the year ended 30 June 2014

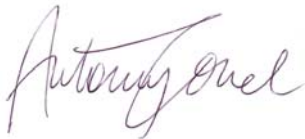
In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Antony Corel
Director

Sydney, 29 September 2014



Tel: 61 2 9251 4100
Fax: 61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Ark Mines Ltd

Report on the Financial Report

We have audited the accompanying financial report of Ark Mines Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ark Mines Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

INDEPENDENT AUDITOR'S REPORT

For the year ended 30 June 2014



Opinion

In our opinion:

- (a) the financial report of Ark Mines Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 22 in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. This condition, along with other matters as set out in Note 22, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ark Mines Ltd for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'John Bresolin', is written over a faint, larger 'BDO' watermark.

John Bresolin
Partner

Sydney, 29 September 2014

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SCHEDULE OF TENEMENTS

As at 30 June 2014

Exploration/ mining licence	Location	Title name	Interest	Mineral	Grant date	Expiry date	Status
EL7973	NSW	Babinda	100%	Gold	11 October 2012	11 October 2014	Current
EL6726	NSW	Nangerybone	100%	Gold	2 March 2007	1 March 2015	Current
ML22839	NT	Pine Creek	100%	Gold	2 February 2005	1 February 2030	Current
EL10137	NT	Frances Creek	Right to earn 70% or acquire 100% through option.	Gold	10 July 2002	9 July 2014	Being renewed
EL23237	NT	Pine Creek South	Right to earn 70% or acquire 100% through option.	Gold	8 December 2003	7 December 2014	Current
ELR116	NT	Mt Porter	Right to earn 70% or acquire 100% through option.	Gold	12 September 1990	11 September 2014	Current

OTHER ASX INFORMATION

As at 31 August 2014

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2014.

Distribution of Equity Securities

Range	Number of holders	Number of shares
1 - 1,000	7	1,686
1,001- 5,000	22	83,392
5,001 - 10,000	130	1,242,333
10,001 - 100,000	187	6,561,891
100,001 - 9,999,999	44	29,992,186
Total	390	37,881,488

Since listing the Company has issued 37,881,488 fully paid ordinary shares.

The number of shareholders holding less than a marketable parcel is 32.

Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Nº	Shareholder	Shares	%
1	Solo Resources Pty Limited	6,644,000	17.5
2	Cobungra Holdings Pty Ltd	5,873,857	15.5
3	Ichiya Co Ltd	2,701,250	7.1
4	Mr Ian Burnham Mitchell	2,438,984	6.4
5	John Wardman & Associates	1,193,500	3.2
6	Global Mineral Resources Limited	1,000,000	2.6
7	Mr John Christopher Slade	904,648	2.4
8	RJ Consolidated Pty Ltd	840,000	2.2
9	Horizon Storm Pty Ltd	800,000	2.1
10	Mr Roger Alan Jackson	641,262	1.7
11	Mr Simon William Tritton	505,000	1.3
12	Intersuisse Nominees Pty Ltd	436,300	1.2
13	Mineral Exploration Consultants Pty Ltd	425,835	1.1
14	Goldfire Enterprises Pty Ltd	400,000	1.1
15	AJM Super Co Pty Ltd	355,000	0.9
16	Kings Park Superannuation Fund Pty Ltd	330,000	0.9
17	Buckingham Investment Financial Services Pty Ltd	300,000	0.8
18	Mr Kenneth Andrew Buckley & Mrs Mary Isabel Buckley	300,000	0.8
19	Mr Peter Gregory Brazel	255,000	0.7
20	Mr Ian Keith White	253,500	0.7
Total		26,598,136	70.2

Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

Shareholder	Shares	%
Solo Resources Pty Ltd	6,644,000	17.5
Cobungra Holdings Pty Ltd	5,873,857	15.5
Ichiya Co Ltd	2,701,250	7.1
Mr Ian Burnham Mitchell	2,438,984	6.4

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called; otherwise each member present at a meeting has one vote on a show of hands.

Restricted Securities

There are 250,000 securities subject to voluntary escrow. The Company announced on 29 August 2014 that these securities would be released from voluntary escrow on 15 September 2014.

On market buy-back

There is no current on-market buy back.

