
QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2022

JUNE QUARTER HIGHLIGHTS:

Assay results confirm strong nickel-cobalt mineralisation at Gunnawarra Project in North Queensland

- ❖ Assay results from a recently-completed 45-hole drilling program highlighted robust nickel mineralisation at Gunnawarra
- ❖ Grades included 42m at .76% Ni Eq from 2m with 19m at 1% Ni Eq from 6m, and 22m at 1% Ni Eq from 4m with 9m at 1.4% Ni Eq from 8m
- ❖ Assay results aligned with Company's objective to further expand the scope of the resource, which contains a previously-identified 2004 JORC historical mineral resource estimate (MRE)

IHC Mining engaged for Beneficiation test work of Gunnawarra Ni-Cu samples

- ❖ Following successful assay results, mining technology group IHC Mining has been engaged to carry out beneficiation test work in order to optimize extractive metallurgical processes for the existing resource
- ❖ Test work will initially focus on magnetic separation, and additional options under review to improve extraction processes for the Gunnawarra laterite material.

JUNE QUARTER MINING ACTIVITIES

Ark's operational focus during Q2 has been on the development of its **Gunnawarra project**.

Located 130km south-west of Cairns in one of North Queensland's highly regarded mining jurisdictions, Gunnawarra is a 36km² tenement which borders the Sconi project owned by Australian Mines Limited and which is an advanced Cobalt-Nickel-Scandium exploration project of similar type.

Previous drilling at the site was carried out in August 2008 by Metallica Minerals Limited (ASX: MLM), which reported an Inferred Resource for the Pod of 280,000 tonnes at 0.73% nickel (Ni) and 0.05% Cobalt (Co) and Ark is continuing its commitment to achieve its development target to build the existing 2004 JORC mineral resource estimate into an upgraded JORC 2012 compliant MRE.

Gunnawarra Project

During the June quarter, Ark Mines reported assay results from a 2,000m reverse circulation ('RC') drill program at the 'Pod' target, to test nickel-cobalt mineralisation to a depth of ~60m at Gunnawarra (refer ASX Announcement March 22, 2022).

The assay results confirmed strong nickel and cobalt mineralisation at Gunnawarra, highlighted by the following intersections:

- 28m at .73% Ni Eq from surface including 5m at 1.8% Ni Eq from 5m, including 2m of Co at .1% from 4m;
- 42m at .76% Ni Eq from 2m including 19m at 1% Ni Eq from 6m;
- 22m at 1% Ni Eq from 4m including 9m at 1.4% Ni Eq from 8m.

For its first phase drill program at Gunnawarra, Ark deployed a larger air rig with air boosting capability. The Company proposes to expand the size of the resource at Gunnawarra, after its maiden drilling program intersected nickel-cobalt mineralisation at depths of up to 60 metres -- around double the depth of the previous drilling program.

Towards the end of Q2, Ark confirmed that it has engaged IHC Mining to undertake beneficiation test work of the Gunnawarra Ni-Co samples (refer ASX Announcement June 21 2022).

The primary focus of the test work will be on magnetic separation. Additional options will also be reviewed and examined to further improve extraction processes for the Gunnawarra laterite material.

Given Laterites have a significant Iron content, confirmation of a successful magnetic separation process may lead to upgrading existing Ni grades.

The ability to upgrade is highly dependent on how separate the Ni is from the magnetic iron, and Ark looks forward to providing the market with further reports on beneficiation test work currently being carried out as soon as results are available.

While the increased depth of the drill program resulted in the discovery of additional mineralisation, Ark will continue to advance its exploration initiatives at the Pod through targeted drilling of known mineral extensions to the system, which run in a north-west / south-east line through the middle of the drilling area.

Executive Director Ben Emery commented: *"The June quarter marked an important period of development at Gunnawarra, as Ark works towards the establishment of a JORC 2012-compliant nickel/cobalt resource. In particular, the opportunity to develop an Australia-based nickel resource coinciding with the well-established global supply/demand dynamics for battery metals remains a strategic priority of the Company."*

"Ark looks forward to providing further updates from its extended drill program and beneficiation test work on existing assay results from Gunnawarra over the coming months. Concurrently, the Company is taking the necessary steps to advance its broader portfolio across North Queensland. Further updates are expected in the second half of 2022 for the Mt Jesse Copper-iron Project, where Ark reached an MoU earlier this year with R3D Resources Limited (ASX: R3D) to sell oxide copper ore and fast-track its commercialisation plans."

Corporate

During the June quarter, Ark Mines provided updates on the release of securities from escrow in accordance with ASX Listing Rule 3.10A.

In summary, a total of 1.2m shares in the Company were released from escrow in the period from 31 March 2022 to 30 June 2022, classified as follows:

Date	Shares released
16 May 2022	250,000
26 May 2022	50,000
10 June 2022	900,000

As at 30 June 2022, Ark Mines held cash and cash equivalents on its balance sheet of \$2.89m. The Company remains well capitalised to fund the next round of exploration at Gunnawarra and across its project portfolio more broadly.

This announcement has been approved by the Board of Ark Mines Limited.

Further Information:

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About Ark Mines Limited

Ark Mines is an ASX listed Australian mineral exploration company focused on developing its 100% owned projects located in the prolific Mt Garnet and Greenvale mineral fields of Northern Queensland. The Company's exploration portfolio consists of three high quality projects covering 65km² of tenure that are prospective for copper, iron ore, nickel-cobalt and porphyry gold:

Gunnawarra Nickel-Cobalt project

- Comprised of 11 sub-blocks covering 36km²
- Borders Australian Mines Limited Sconi project – an advanced Cobalt-Nickel-Scandium project of similar type

Synergies with local processing facilities together with export DSO Nickel/Cobalt partnership options will be pursued

Mt Jesse Copper-Iron project

- Project covers a tenure area of 12.4km² located ~25km west of Mt Garnet
- Centered on a copper rich magnetite skarn associated with porphyry style mineralization
- Three exposed historic iron formations
- Near term production via toll treat and potential to direct ship are likely options upon establishment of a suitable resource after drilling

Pluton Porphyry Gold project

- Located ~90km SW of Cairns near Mareeba, QLD covering 18km²
- Prospective for gold and associated base metals (Ag, Cu, Mo)
- Porphyry outcrop discovered during initial field inspection coincides with regional scale geophysical interpretation.

Competent Persons Statement

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Roger Jackson, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Jackson is a director of the Company. Mr Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Jackson consents to the inclusion of this information in the form and context in which it appears in this report.