

Prospectus

Ark Mines Ltd

ACN: 123 668 717

This Prospectus is for an offer of up to 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (before costs) (Public Offer) comprising:

- (a) an offer of Shares to existing Shareholders with a registered address in Australia or New Zealand (Eligible Shareholders) (Priority Offer); and
- (b) an offer of Shares to the general public (General Offer).

This Prospectus also contains:

- (c) an offer of 9,000,000 Shares to Bmax Holdings Pty Limited (or its nominee/s) in consideration for the acquisition of all of the issued capital of MIJ Holdings Pty Limited (Vendor Offer); and
- (d) an offer of 7,066,230 Shares to the DOCA Contributors (or their nominee/s) in satisfaction of the DOCA Contributions (DOCA Contributions Share Offer);
- (e) an offer of 420,000 Shares to the Directors (or their nominee/s) in satisfaction of the DOCA Reimbursements (DOCA Reimbursements Share Offer); and
- (f) an offer of 2,000,000 Shares to the Pre-RTO Lenders (or their nominee/s) in satisfaction of the Pre-RTO Loans (Pre-RTO Loans Share Offer),

Collectively, the Debt Conversion Offers.

This Prospectus provides important information about the Company. You should read the entire document including the Application Forms. If you have any questions about the Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the Shares offered under this Prospectus is highly speculative.

Important Notice

This Prospectus is dated 27 September 2021 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the securities the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This document may not be distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. Any securities described in this document have not been and will not be, registered under the US Securities Act 1993 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act 1993 and applicable US state securities law.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

No person is authorised to provide any information or make any representation in connection with the Offers which is not contained in this Prospectus.

Web Site - Electronic Prospectus

A copy of this Prospectus is available and can be downloaded from the website of the Company at www.arkmines.com.au.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident accessing the Prospectus from within Australia or an Eligible Shareholder accessing the Prospectus from Australia or New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a

hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Suitability of Investment & Risks

Before deciding to invest in the Company, prospective investors should read entirely this Prospectus and, in **particular, the summary of the Company's business** in section 6 and the risk factors in section 6. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding to invest.

Any investment in the Shares of the Company should be regarded as speculative.

Definitions and currency

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in section 17.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Consolidation

The Company is seeking Shareholder approval to consolidate its share capital on a 20 to 1 basis. References to share capital are on a post-consolidation basis, unless otherwise stated.

Conditions to the Offers

The Offers made under this Prospectus are subject to certain conditions, including Shareholder approval. See section 13.4 for details.

Competent person's statement

The information contained in the Independent Technical Assessment Report at section 11 was compiled by Minnelex Pty Limited. Information in this Prospectus that relates to exploration results has been reviewed by Robert Pyper, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Pyper has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as an expert and a competent person as defined in the VALMIN Code and in the 2012 Edition of the **'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'** (JORC Code 2012).

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Corporate Directory

Directors

Antony Corel - Non-executive Chairman
Roger Jackson - Technical Director
Ian Mitchell - Non-executive Director

Proposed new Director upon Re-compliance

Benjamin Emery - Executive Director

ASX Code: AHK

Share Registry*

Next Registries
Level 16, 1 Market Street, SYDNEY
NSW, 2000

Solicitors to the Offer

Atkinson Corporate Lawyers

Investigating Accountant

Moore Australia Corporate Finance (WA) Pty Ltd

Company Secretary

Ian Mitchell

Website: www.arkmines.com

Registered Office

Level 9, 19 to 29 Martin Place
Sydney, NSW 2000
Tel: +61 +61 2 92325444

Email: ian@mitchellandsmith.com.au

Lead Manager

Sanlam Private Wealth
Level 2, 33 York Street
Sydney NSW 2000

Auditor for the Company*

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
Perth WA 6000

Independent Geologist

Minnelex Pty Limited

* These entities are included for information purposes only. They have not been involved in preparing this Prospectus.

1 INDICATIVE TIMETABLE

Lodgement of Prospectus with ASIC	27 September 2021
Opening Date of Public Offers (Priority Offer and General Offer)	
Closing Date of the Offers (other than the General Offer)	5:00pm (AEST), 15 October 2021
Closing Date of the General Offer	5:00pm (AEST), 22 October 2021
Consolidation of share capital	26 November 2021
Issue of Shares under the Public Offer	
Issue of Securities under the Acquisition and Debt Conversions	
Holding statements showing post-Consolidation holdings sent to existing Shareholders	29 November 2021
Re-quotations of Shares on ASX	6 December 2021

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

2 KEY OFFER STATISTICS AND CAPITAL STRUCTURE

	Minimum Subscription (\$4.5 million)		Maximum Subscription (\$5 million)	
	Shares	Options	Shares	Options
Securities currently on issue (post Consolidation)	2,616,058	Nil	2,616,058	Nil
Securities offered under the Public Offer at \$0.20 per Share	22,500,000	Nil	25,000,000	Nil
Securities offered under Bmax Offer	9,000,000	Nil	9,000,000	Nil
Securities offered under the Debt Conversion Offers	9,486,230	14,972,500	9,486,230	14,972,500
Total Securities on issue following the Offers	43,602,288	14,972,500	46,102,288	14,972,500

3 CHAIRMAN'S LETTER

Dear Investors,

On behalf of my fellow Directors, it is with great pleasure that I present this Prospectus and offer you the opportunity to invest in Ark Mines Ltd (Company).

The Company has agreed to acquire 100% of the issued capital of MIJ Holdings Pty Limited (MIJ Holdings), subject to the satisfaction of various conditions precedent (Acquisition).

Prior to Acquisition, MIJ Holdings will hold three highly prospective, yet underexplored, iron, nickel/cobalt, copper and gold projects in Northern Queensland (Projects).

The Offers set out in this Prospectus represent what I believe to be a rare opportunity to obtain equity exposure to iron, nickel/cobalt, copper and gold, and I am excited about the prospect of advancing these assets and building sustainable shareholder value through further explorations of the projects.

This Prospectus has been issued by the Company for:

- (a) the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules, following a change to the nature and **scale of the Company's** activities;
- (b) a Public Offer of up to 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5 million (before costs) with Eligible Shareholders being invited to participate on a priority basis; and
- (c) certain other offers (being Bmax Offer and the Debt Conversion Offers) to purchase MIJ Holdings and repay debts incurred by the Company following its deed of company arrangement.

Shareholders approved the Offers at a Shareholder meeting on 24 September 2021. The Offers are subject to a number of conditions, including completing the Acquisition, ASX agreeing to reinstate **the Company's Shares to trading (including quoting the Shares offered** under this Prospectus) and raising a minimum of \$4.5 million.

Funds raised will be **used for the Company's proposed expenditure on** the Projects, to cover the costs of the Offers, for corporate administration, provide general working capital and new project assessment.

This Prospectus also contains detailed information about the current and proposed operations of the Company, as well as the risks in investing in the Company. These risks include exploration risks (none of the projects contain a resource in accordance with the JORC Code 2012), ongoing funding risks, and commodity and market risks. Potential investors in the Company should carefully consider the risks (detailed in section 6) and seek professional advice, if necessary, to make an informed decision.

We look forward to welcoming you as a Shareholder of the Company.

Yours faithfully



Antony Corel

Non-executive Chairman

4 INVESTMENT OVERVIEW

This information is a selective overview only. Prospective investors should read the **Prospectus in full, including the experts' reports in this Prospectus before deciding** to invest in Shares.

Question	Response	Where to find more information
The Company and its business		
Who is issuing this Prospectus?	Ark Mines Ltd (ACN: 123 668 717) (AHK or the Company).	Section 5
What is the purpose of this Prospectus?	<p>This Prospectus has been issued by the Company for:</p> <ul style="list-style-type: none"> (a) the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules, following a change to the nature and scale of the Company's activities; (b) a Public Offer of between 22,500,000 and 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5 million (before costs), with Eligible Shareholders being able to participate on a priority basis; and (c) certain other offers (being the Vendor Offer, the DOCA Contributions Share Offer, the DOCA Reimbursements Share Offer and the Pre-RTO Loans Share Offer) to repay DOCA related debts approved by the Company's shareholders. 	Section 13.1
Who is AHK and what does it do?	<p>The Company was incorporated in Australia on 30 January 2007 and listed on ASX on 9 May 2011. The Company's Shares were suspended from trading on 25 September 2019 when voluntary administrators were appointed to the Company. Control of the Company was returned to its Directors on 10 June 2021, and on 25 August 2021 the Company announced the acquisition of MIJ Holdings Pty Limited (MIJ</p>	Section 5.1

Question	Response	Where to find more information
	Holdings), a company that indirectly holds exploration licences in Queensland.	
What are MIJ Holdings' projects?	MIJ Holding indirectly holds 100% of EPM26560 (Gunawarra), EPM26464 (Mount Jesse) and EPM26883 (Pluton) in Queensland.	Sections 5.3 to 5.6 and 11
What are the highlights of MIJ Holdings' projects?	<p>(a) High quality exploration assets with scope to move to development.</p> <p>(b) Early-stage equity position in 'next-wave' technology metals.</p> <p>(c) Technically and commercially proven management team.</p> <p>(d) Immediate, high-impact drilling into:</p> <p>(i) exposed mineralised materials moving into shallow covered targets which are nearby to known deposits; and</p> <p>(ii) coincidental geophysical targets.</p>	Section 5.3
What are the Company's intentions with respect to MIJ Holdings' projects?	Following the re-admission of the Company to ASX, the Company's primary focus will be on exploring and potentially developing the Gunnawarra, Mount Jesse and Pluton mineral projects in Queensland. Detailed information on the proposed exploration programme of the projects is set out in sections 5.9 and 11.	Section 5.3 to 5.6 and 5.9
What is the Company's financial position?	<p>Details on the Company's current financial position are set out in section 9.</p> <p>An Investigating Accountant's Report is included in section 9 which contains financial information for the Company and MIJ Holdings.</p> <p>The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.</p>	Section 9
What is the proposed use of	The Company proposes to use the funds raised from the Public Offer to undertake explorations	Section 5.9

Question	Response	Where to find more information
funds raised under the Offer?	on the Gunnawarra, Mount Jesse and Pluton mineral Projects, pay expenses of the Offers, and towards general administration fees and working capital as set out in section 5.9.	
What is the proposed capital structure of the Company?	Following the completion of the Offers and the Acquisition, the proposed capital structure of the Company is as set out in section 5.12.	Section 5.12
What is the Company's strategy?	Following the completion of the Offers, the Company intends to undertake explorations on the Gunnawarra, Mount Jesse and Pluton mineral Projects.	Section 5.3 to 5.6 and 5.9

Summary of key risks

Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future.

Following is a summary of the key risks which apply to an investment in the Company and investors should refer to section 6 for a more detailed summary of the risks. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and MIJ Holdings **and the value of the Company's securities. Therefore, the Shares to be issued by the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative.**

Risks in respect of MIJ Holdings' operations

Exploration costs	The exploration budget of the Company is based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may	Section 6.1(a)
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Question	Response	Where to find more information
	materially and adversely affect the Company's viability.	
Exploration success	<p>MIJ Holdings' tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.</p>	Section 6.1(b)
Risk relating to the Tenements	<p>MIJ Holdings' tenements are subject to a number of regulatory risks, including the following potential risks:</p> <ul style="list-style-type: none"> (a) Delays and additional costs in obtaining access agreements with landowners to complete advanced exploration activities. (b) Any outstanding rehabilitation on the land subject to the tenements. (c) The potential for non-compliances in relation to Work Health & Safety requirements. (d) Future non-compliances with the Mineral Resources Act, Mining Regulation, Licence Conditions and Codes of Practice including payment of fees, lodgment of reports and maintenance of records. (e) The successful negotiation of and compliance with land access arrangements (however it should be 	Section 6.1(c)

Question	Response	Where to find more information
	<p>noted that should negotiation be unsuccessful, the option of mediation and/or arbitration is available to the titleholder).</p> <p>(f) Difficulties in reaching agreements with Native Title claimants in accordance with the right to negotiate provisions of the Native Title Act.</p> <p>These risks are more fully set out in section 24 of the Tenement Report.</p>	

Industry specific risks

Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production.</p> <p>The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused</p>	Section 6.2(a)
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Question	Response	Where to find more information
	<p>by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>	
Exploration	<p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Company's tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.</p>	Section 6.2(b)
Failure to satisfy expenditure commitments	<p>Interests in tenements in Australia are governed by the mining acts and regulations that are current in those States and are evidenced by the granting of licences or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting</p>	Section 6.2(c)

Question	Response	Where to find more information
	<p>commitments, as well as other conditions requiring compliance.</p> <p>Consequently, the Company could lose title to its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>	
<p>Commodity price volatility and exchange rate risks</p>	<p>Commodity price volatility impacts both upon the value of the Company's projects and the potential revenue (if any) derived from those projects. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in foreign currencies, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between foreign currencies and the Australian dollar as determined in international markets.</p>	<p>Section 6.2(d)</p>
<p>Competition risk</p>	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>	<p>Section 6.2(e)</p>
<p>Insurance risks</p>	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance</p>	<p>Section 6.2(f)</p>

Question	Response	Where to find more information
	<p>may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.</p>	
<p>Reliance on key management</p>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>	<p>Section 6.2(g)</p>
<p>Conflicts of interest</p>	<p>Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.</p>	<p>Section 6.2(h)</p>
<p>General risks</p>		
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors, including exploration cost and success. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is</p>	<p>Section 6.3(a)</p>

Question	Response	Where to find more information
	<p>unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.</p>	
<p>Trading price of Shares</p>	<p>The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.</p> <p>In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.</p>	<p>Section 6.3(b)</p>
<p>Potential acquisitions risk</p>	<p>As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.</p>	<p>Section 6.3(c)</p>
<p>Market conditions risk</p>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of</p>	<p>Section 6.3(d)</p>

Question	Response	Where to find more information						
	<p>the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular.</p>							
General economic and political risks	Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the financial performance of the Company.	Section 6.3(e)						
Regulatory risk	Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.	Section 6.3(f)						
Directors, related party interests and substantial shareholders								
Who are the Directors?	<p>The Company's Board following the completion of the Acquisition and the Offers will consist of:</p> <hr/> <table border="0"> <tr> <td style="padding-right: 20px;">Antony Corel</td> <td>Non-executive Chairman</td> </tr> <tr> <td style="padding-right: 20px;">Roger Jackson</td> <td>Executive Director</td> </tr> <tr> <td style="padding-right: 20px;">Ian Mitchell</td> <td>Non-executive Director and Company Secretary</td> </tr> </table>	Antony Corel	Non-executive Chairman	Roger Jackson	Executive Director	Ian Mitchell	Non-executive Director and Company Secretary	Section 7.1
Antony Corel	Non-executive Chairman							
Roger Jackson	Executive Director							
Ian Mitchell	Non-executive Director and Company Secretary							

Question	Response	Where to find more information
	Benjamin Emery Executive Director	
What experience do the Directors have?	The relevant experience of each of the board of directors is set out in section 7.1.	Section 7.1
What benefits are being paid Directors?	<p>The executive Directors are entitled to \$36,000 per annum and a daily rate of \$1,200 for executive services provided.</p> <p>The Chair, Mr Antony Corel is entitled to directors' fees of \$50,000 per annum.</p> <p>Mr Ian Mitchell, a non-executive Director and Company Secretary is entitled to directors and company secretary fees of \$50,000 per annum.</p>	Sections 7.6 and 7.7
What interests do the Directors have in the Company's securities	The Directors' interests in Shares as at the date of this Prospectus are set out in section 7.3.	Section 7.3
What contracts does the Company have with related parties?	<p>The Company has entered into the following contracts with related parties:</p> <ul style="list-style-type: none"> (a) a binding Acquisition Agreement under which the Company will acquire all of the issued shares in MIJ Holdings from Bmax, an entity controlled by Mr Emery (refer to section 5.14 for details); (b) letters of appointment with each of its Directors (refer to section 7.6 for details); (c) deeds of access, indemnity and insurance with each of its Directors (refer to section 0 for details); and (d) issue of Shares in satisfaction of debts owned by the Company to related parties and others (refer to section 5.11 for details). 	Section 8.

Question	Response	Where to find more information
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Who are the **Company's** substantial Shareholders?

Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue (on a post-Consolidation basis) as at the date of this Prospectus are set out in the table below.

Name	Shares	%
Solo Resources Pty Ltd	6,676,000	12.76
Cobungra Holdings Pty Ltd	6,327,742	12.09
Mr Ian Mitchell	5,804,984	11.20

Shareholder approval has been obtained at the General Meeting for the Directors (or their nominees) to subscribe for securities under the Public Offer and the Debt Conversion Offers.

Following completion of the Re-compliance Transactions (assuming that there is no investor subscribing more than 5% of the Shares of the Company under the Public Offer), on a post-Consolidation basis, the following person will hold 5% or more of the Company's **Shares**:

Name	Shares	%
Bmax Holdings Pty Limited ¹	Up to 9,000,000	19.99

The Number of Shares to be issued to Bmax will depend on the amount raised and the extent to which Bmax elects to have Vendor Shares issued to third parties (see section 5.13). In any event the maximum relevant interest Bmax may have following the Transaction is 19.99%.

Offers

What are the Offers?

This Prospectus is for an offer of 25,000,000 Shares at an issue price of \$0.20 each to raise

Question	Response	Where to find more information
	<p>\$5,000,000 (before costs) (Public Offer) comprising:</p> <ul style="list-style-type: none"> (a) an priority offer of Shares to Eligible Shareholders (Priority Offer); and (b) an offer of Shares to the general public (General Offer). <p>This Prospectus also contains:</p> <ul style="list-style-type: none"> (a) an offer of 9,000,000 Shares to Bmax (or their nominee/s) in consideration for the acquisition of all of the issued capital of MIJ Holdings (Vendor Offer); (b) an offer of 7,066,230 Shares to the DOCA Contributors (or their nominee/s) in satisfaction of the DOCA Contributions (DOCA Contributions Share Offer) (c) an offer of 420,000 Shares to the Directors (or their nominee/s) in satisfaction of the DOCA Reimbursements (DOCA Reimbursements Share Offer); and (d) an offer of 2,000,000 Shares to the Pre-RTO Lenders (or their nominee/s) in satisfaction of the Pre-RTO Loans (Pre-RTO Loans Share Offer). 	
<p>What is the Offer price for the Public Offer?</p>	<p>\$0.20 per Share.</p>	<p>Section 13.1</p>
<p>What is the Minimum Subscription under the Public Offer?</p>	<p>\$4,500,000.</p>	<p>Section 13.1</p>
<p>Will the Shares be quoted?</p>	<p>The Company will apply to the ASX for re-admission to the Official List and re-quotations of Shares (including the Shares offered under this Prospectus) on the ASX. On and from the</p>	<p>Section 13.4</p>

Question	Response	Where to find more information						
	re-admission, the Shares are expected to be quoted under the code "AHK".							
What is the purpose of the Offers?	<p>The purpose of the Offers is to:</p> <p>raise up to \$5,000,000 (before associated costs of the Offers);</p> <p>assist the Company to satisfy Chapters 1 and 2 of the Listing Rules for re-admission to ASX; and</p> <p>position the Company to seek to achieve the objectives detailed in section 5.</p>	Section 13.1						
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> (a) the Company complying with Chapters 1 and 2 of the Listing Rules for re-admission to ASX; (b) the Completion of the Acquisition; and (c) the Company raising \$4,500,000 under the Public Offer. <p>If the conditions of the Public Offer are not achieved, then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act. If the Public Offer does not proceed, none of Bmax Offer or the Debt Conversion Offers will proceed.</p>	Section 13.4						
Are there any escrow arrangements?	<p>The Company believes that the following Securities will be subject to escrow:</p> <table border="1" data-bbox="571 1659 1179 1906"> <thead> <tr> <th data-bbox="571 1659 762 1906">Number of Securities</th> <th data-bbox="762 1659 954 1906">Percentage of the Company's issued Share capital¹</th> <th data-bbox="954 1659 1179 1906">Escrow period</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Number of Securities	Percentage of the Company's issued Share capital ¹	Escrow period				Section 13.16
Number of Securities	Percentage of the Company's issued Share capital ¹	Escrow period						

Question	Response			Where to find more information
	11,011,250	25.54%	24 months from date of quotation	
	7,475,000	17.34	12 months from the date funds for which securities were issued were received ²	

Assuming minimum subscription.

Subject to satisfying ASX as to the timing and receipt of **funds, and at ASX's discretion.**

None of the Shares offered under the Public Offer will be treated as restricted securities and will be freely transferable from their date of allotment.

What is the Offer period?	An indicative timetable for the Offers is set out in section 1.	Section 1
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Are the Offers underwritten?	None of the Offers are underwritten.	Section 13.9
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Other information

Will the Company adequately funded after completion of the Offers?	The Board believes that the funds raised from the Offers will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.	Section 5.10
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What rights and liabilities attach to the Securities being offered?	All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in section 14.1. Rights and liabilities attaching to the Options are set out in sections 14.2 and 14.2(a).	Section 14
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Question	Response	Where to find more information
Who is eligible to participate in the Offers?	<p>The Priority Offer is made to Eligible Shareholders. Only Eligible Shareholders may participate in the Priority Offer.</p> <p>Anyone with a registered address in Australia may participate in the General Offer.</p> <p>Only Bmax may participate in Vendor Offer.</p> <p>Only the various lenders may participate in the DOCA Contributions Share Offer, the DOCA Reimbursements Share Offer or the Pre-RTO Loans Share Offer.</p>	Section 13
How do I apply for Securities under the Public Offer?	<p>Applications for Shares under the Public Offer can only be made using the relevant Application Forms accompanying this Prospectus or, in the case of the Priority Offer, by applying online by following the instructions at www.arkmines.com.au and completing a BPAY® payment. For further information on how an Application can be made, Applicants should refer to the instructions set out in the relevant Application Form.</p>	Section 13.10
What is the allocation policy?	<p>Eligible Shareholders have a priority allocation for Shares applied for, in parcels of \$2,000, \$5,000, \$7,500 and \$15,000 (with scale back at the Directors' discretion if required).</p> <p>The Directors will allocate the remaining Shares not subscribed for under the Priority Offer at their sole discretion to unrelated parties with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).</p> <p>There is no assurance that any Applicant will be allocated any Shares under the General Offer, or the number of Securities for which they have applied. The Company reserves the right to, for the General Offer reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued</p>	Sections 13.1 and 13.14

Question	Response	Where to find more information
	<p>is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.</p> <p>Subject to the satisfaction of the conditions to the Offers outlined in section 13.4, Securities under the Offers are expected to be allotted on or about 29 November 2021. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Offers. Applicants who sell Securities before they receive their holding statements do so at their own risk.</p>	
<p>When will I receive confirmation that my Application has been successful?</p>	<p>It is expected that holding statements will be sent to successful Applicants by post on or about 29 November 2021.</p>	<p>Section 13.14</p>
<p>What is the Company's dividend policy?</p>	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on exploring its existing projects and potentially future acquisitions.</p>	<p>Section 5.15</p>
<p>How can I find out more about the Prospectus or the Offer?</p>	<p>Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary on +61 2 9232 5444 or ian@mitchellandsmith.com.au.</p>	<p>Section 13.17</p>

5.1 The Company and its business

The Company was incorporated on 30 January 2007 and admitted to the official list of ASX on 9 May 2011.

The Company's Shares were suspended from trading on ASX on 25 September 2019 following the appointment of administrators to the Company. The appointment occurred as a result of material increases in the gold processing costs of the **Company's then Mt Porter** gold project in Pine Creek, Northern Territory as a result of operations at the nearby Cosmo mine being indefinitely suspended. The increased operating costs required the Company to suspend operations at Mt Porter.

As a result of the Mt. Porter suspension and the inability to agree satisfactory terms, **Ark's secured creditor Chan Investments Ltd.** placed the Company into voluntary administration. **The Company's administrators sold Ark's assets to help fund the repayment of the Company's secured creditors**, as well as the cost of administration. On 10 June 2021, following satisfaction of a deed of company arrangement (DOCA) which included an agreed contribution sum and other expenses procured by the Directors through loans totaling approximately \$706,623 from the Directors and others (together the DOCA Contributions) and paid to the administrators, control of **Ark was handed back to the Company's Directors. The DOCA Contributions enabled** the administrators to pay a dividend of 100c in the dollar to all unsecured creditors.

On 25 August 2021 the Company announced the proposed acquisition of MIJ Holdings Pty Limited (MIJ Holdings), a capital raising of up to \$5 million and the repayment of debts owed by the Company of approximately \$950,000 (including the DOCA Contributions) through the issue of Shares (together the Transaction). The Transaction is conditional upon Shareholder approval (which was obtained on 24 September 2021) **and the Company's Shares being reinstated to trading.** Reinstatement will require the Company to re-comply with the admission requirements of ASX.

MIJ Holdings holds, indirectly through three wholly owned subsidiaries, 3 projects located in the prolific Mt Garnet and Greenvale mineral fields of Northern Queensland. Further details on MIJ Holdings and its projects are contained in sections 3.2 and 4.

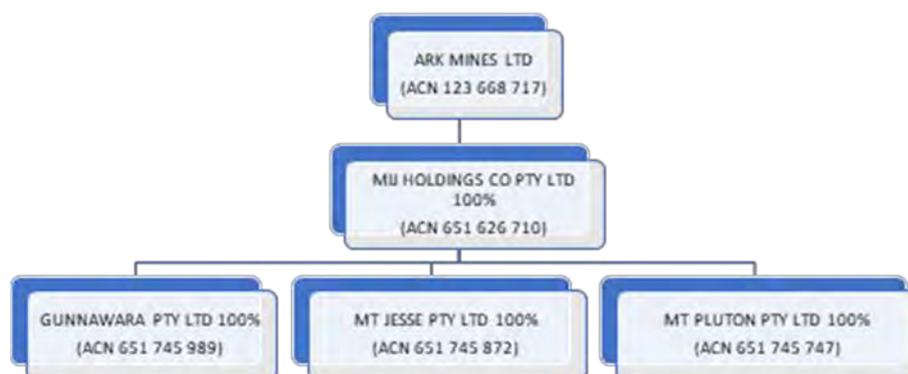
The proposed financial position and capital structure following the Transaction are **detailed in sections 3.6 and 3.7. The Company's current Directors (and who were** Directors at the time the Company went into administration and successfully guided it through the DOCA process), Messrs Antony Corel, Roger Jackson and Ian Mitchell, will remain on the Board and the controller of Bmax Holdings Pty Limited, the seller of MIJ Holdings, Mr Ben Emery, will be appointed a Director.

ASX policy is to remove a company that has been suspended for more than 2 years. ASX has a discretion to grant a short extension if the company is in the final stages

of implementing a transaction that will lead to the company's shares being reinstated to trading. The Company anticipates receiving a short extension to allow the Company to make the Offers and complete the Transaction. Any reinstatement to trading is at ASX's discretion.

5.2 Corporate structure

Following the Transaction, including acquiring MIJ Holdings, the Group's corporate structure will be as follows:



5.3 MIJ Holdings - overview

MIJ Holdings is an entity recently incorporated by Bmax Holdings Pty Ltd (Bmax) to hold three projects controlled by Bmax.

Ark has agreed, subject to conditions, to purchase MIJ Holdings for 9 million Shares (Acquisition Shares). The terms upon which Ark will acquire MIJ Holdings is set out in section 4.2.

MIJ Holdings, through three wholly owned subsidiaries, has a 100% interest in three projects in Queensland (Figure 1), made up of three exploration permits (Table 1) (Projects).

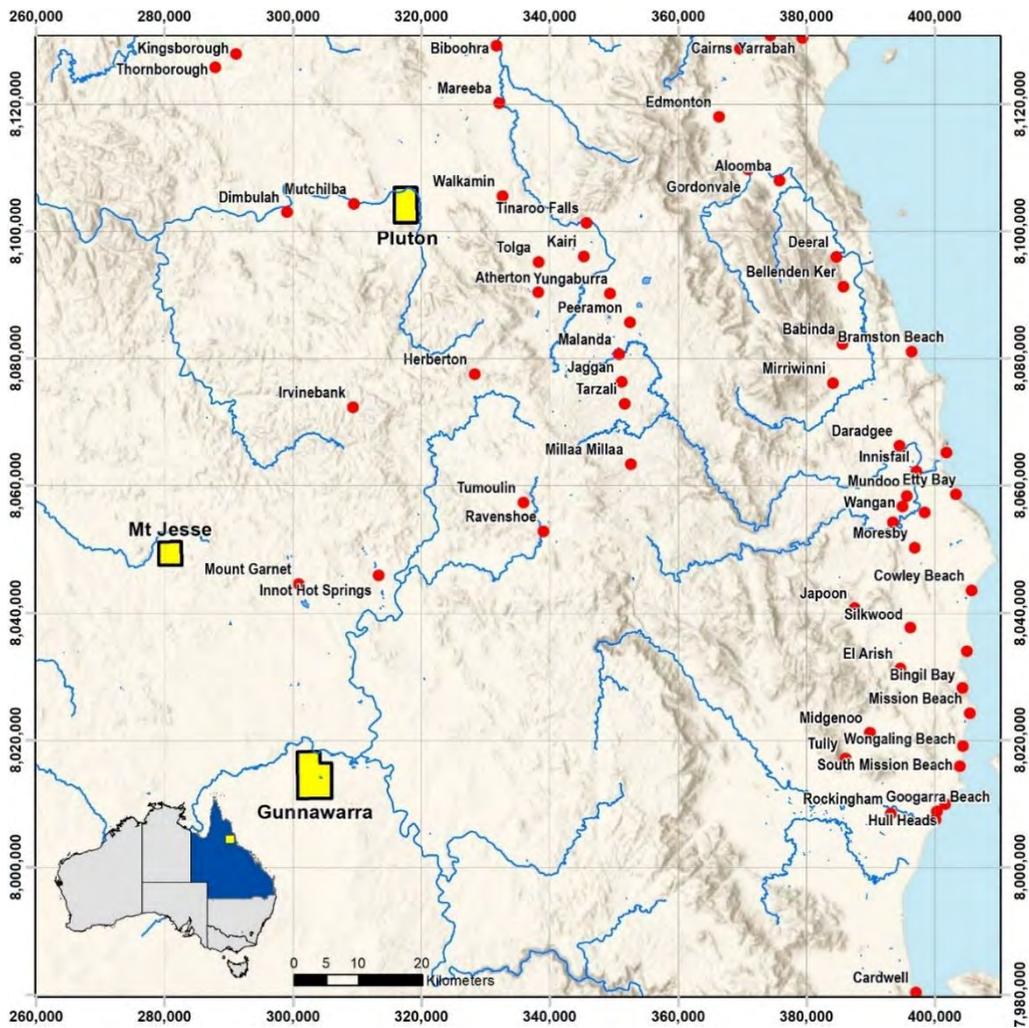


Figure 1: Location of MIJ Projects

The Projects appear to contain a number of historical results which demonstrate potentially high-grade/highly-anomalous mineralised occurrences, however the Company has determined that additional due diligence is required to be undertaken to confirm data quality and detail.

Table 1: Tenement Details

Permit	Project	Grant	Expiry	Area (ha)	Area (km ²)
EPM26464	Mt Jesse	6/10/2019	6/10/2021	1,240	12.4
EPM26560	Gunnawarra	24/11/2019	24/11/2021	3,410	34.1
EPM26883	Pluton	8/3/2021	8/3/2023	1,860	18.6
Total				6,510	65.1

The information in this section is extracted from an announcement by the Company to ASX on 25 August 2021 (Market Announcement). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Market Announcement.

See the Independent Technical Assessment Report in section 11 for more information.

5.4 Gunnawarra Nickel-Cobalt Project (EPM 26560)

(a) Project Overview

The Gunnawarra cobalt-nickel project sits in exploration permit EPM 26560 and is located ~10kms from the town of Greenvale in far-north Queensland (Figure 2). The project is close to existing infrastructure, including grid power, water and access to port facilities.

The region around Greenvale has a long mining history, predominately for nickel, cobalt, gold, tin and zinc, and forms part of the Greenvale nickel province, which has produced ~\$7bn of nickel and cobalt between 1974 and 1992.

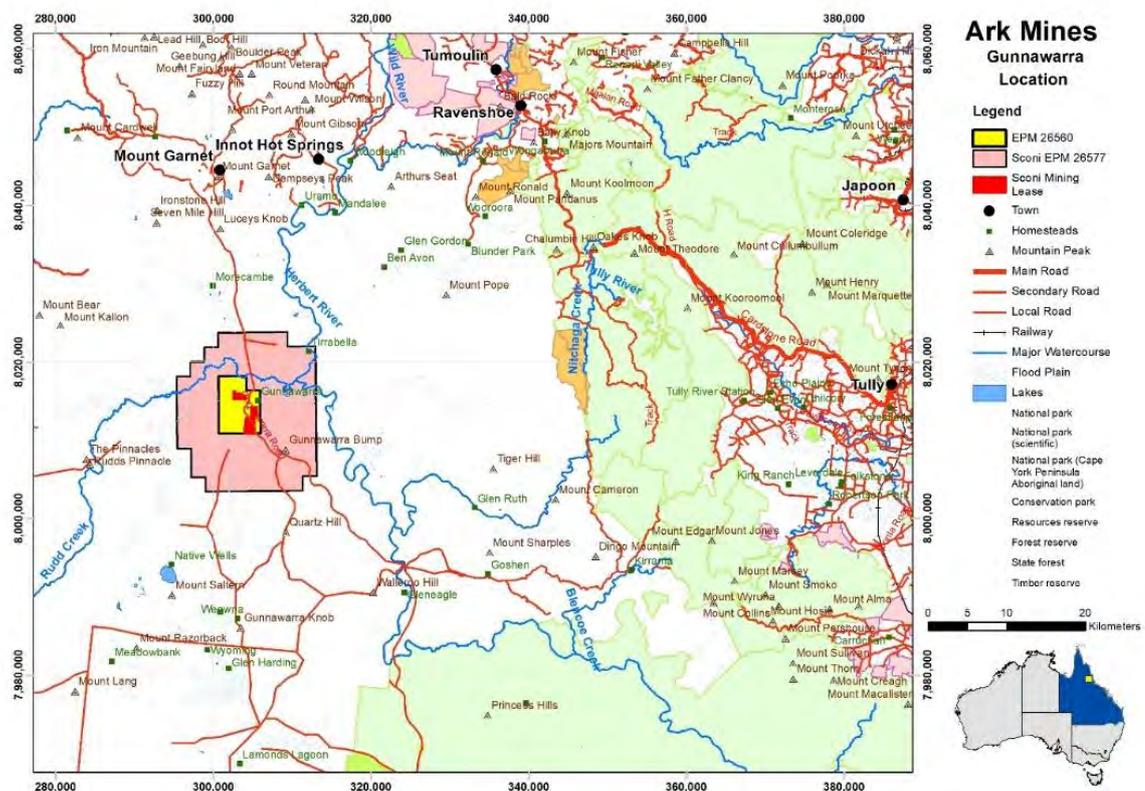


Figure 2: Gunnawarra project location, northern Queensland.

(b) Local Geology

The Gunnawarra nickel - cobalt laterite deposits have formed on ultramafic rocks that include serpentinites, meta gabbro's and pyroxenites (Figure 3). These occur as fragments of lower crust material rich in iron, magnesium and nickel and are likely to be emplaced by shears and faults. This tectonic activity has conveyed the ultramafic fragments into the Proterozoic Shield and the Tasman Orogenic Belt, comprising Proterozoic meta - sedimentary

schists and meta gabbro's. Ordovician volcanogenic sediments and granitoids, and Devonian limestone are overlain by basalts.

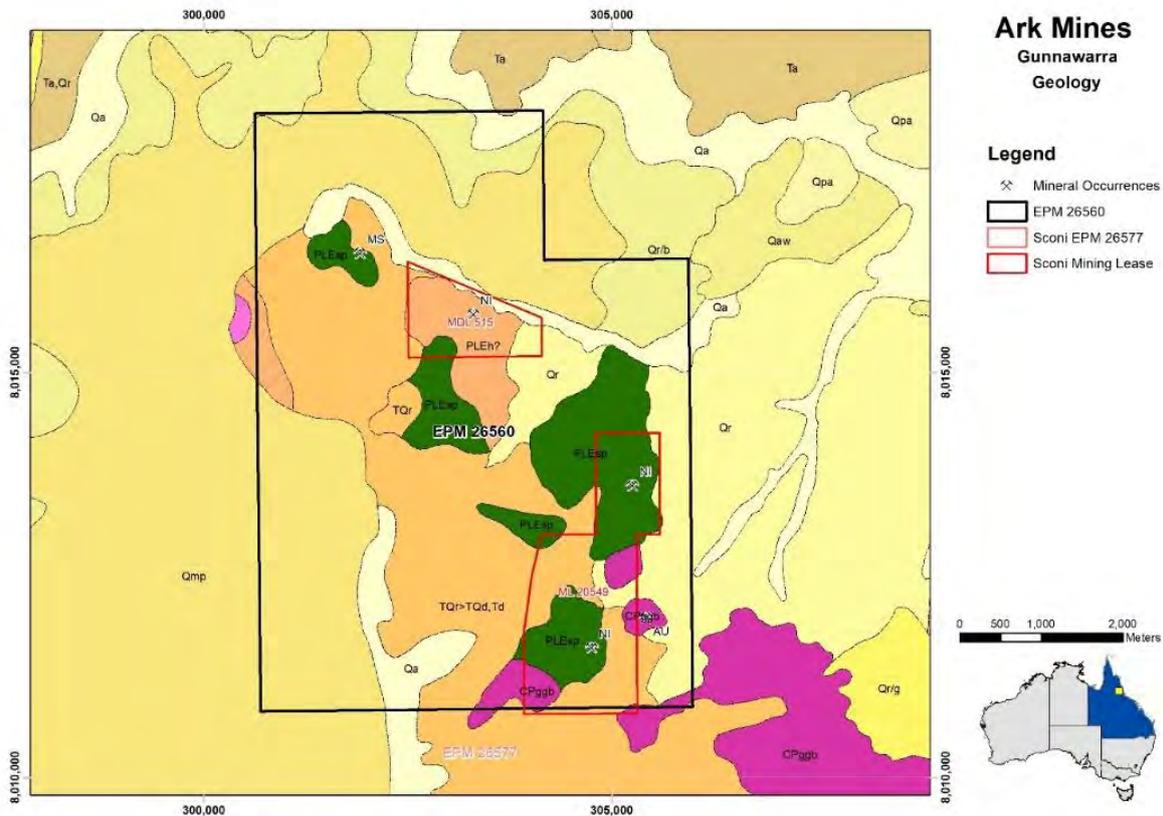


Figure 3: Gunnawarra interpreted geology.

(c) Mineralisation Style

The Gunnawarra project is centred on a lateritic Ni cobalt mineralisation. Capped by surface expressed Ni Gossans. EPM 26560 surrounds the Bell Creek resource a component of the Sconi cobalt project owned by Australian Mines Limited (ASX:AUZ) (Figure 4). The two Bell Creek MLs sitting within 26560 have a resource of 25.8m tonne of Nickel equivalent 0.86% Ni (21 October 2019 Australian Mines announcement - prepared by CSA Global to 2012 JORC Code). The permit has areas of laterites which have formed on ultramafic rocks that include **serpentinites, meta gabbro's and pyroxenites**. Diagnostic features of the Ni - Co - Cu gossans found on Gunnawarra include high Ni - Co Cu along with high Pd - Pt with low Cr - Mn - Zn and Pb.

(d) Previous Exploration

Historical exploration within the permit includes soil and rock chip sampling, geological mapping and regional airborne magnetics.

(e) Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out follow-up sampling, detailed geophysical interpretation, and undertake Shallow RC drilling along strike of the Bell Creek resource, and on other targets within the lease. A component of the drilling will focus on the basement rocks for sulphide mineralisation.

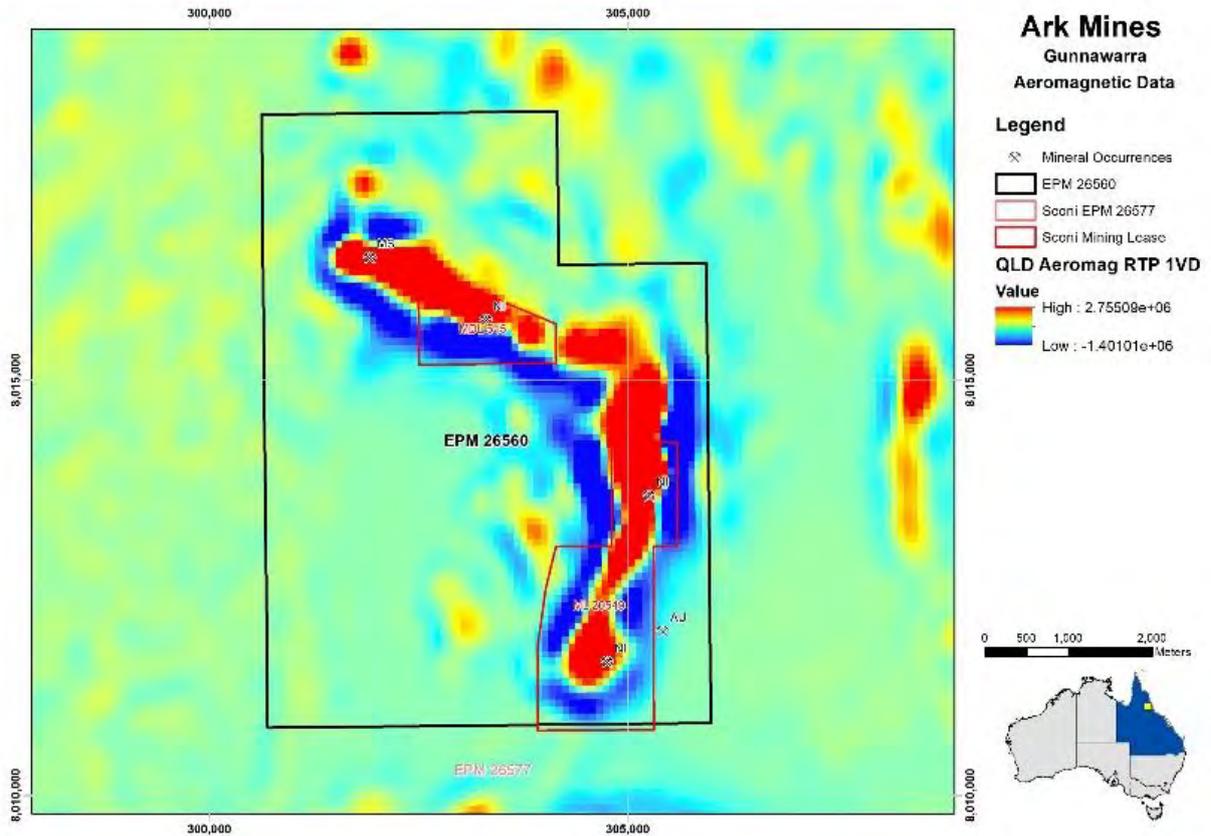


Figure 4: Aeromag over the Gunnawarra project shows strong continuity from the Bell Resource Mining Licences into EPM 26560

5.5 Pluton porphyry gold project

(a) Project Overview

The Pluton Gold and Gold porphyry project consists of a granted EPM 2688, which is located near the town of Dimbulah in far-northern Queensland (Figure 5). The project is prospective for gold and associated base metals.

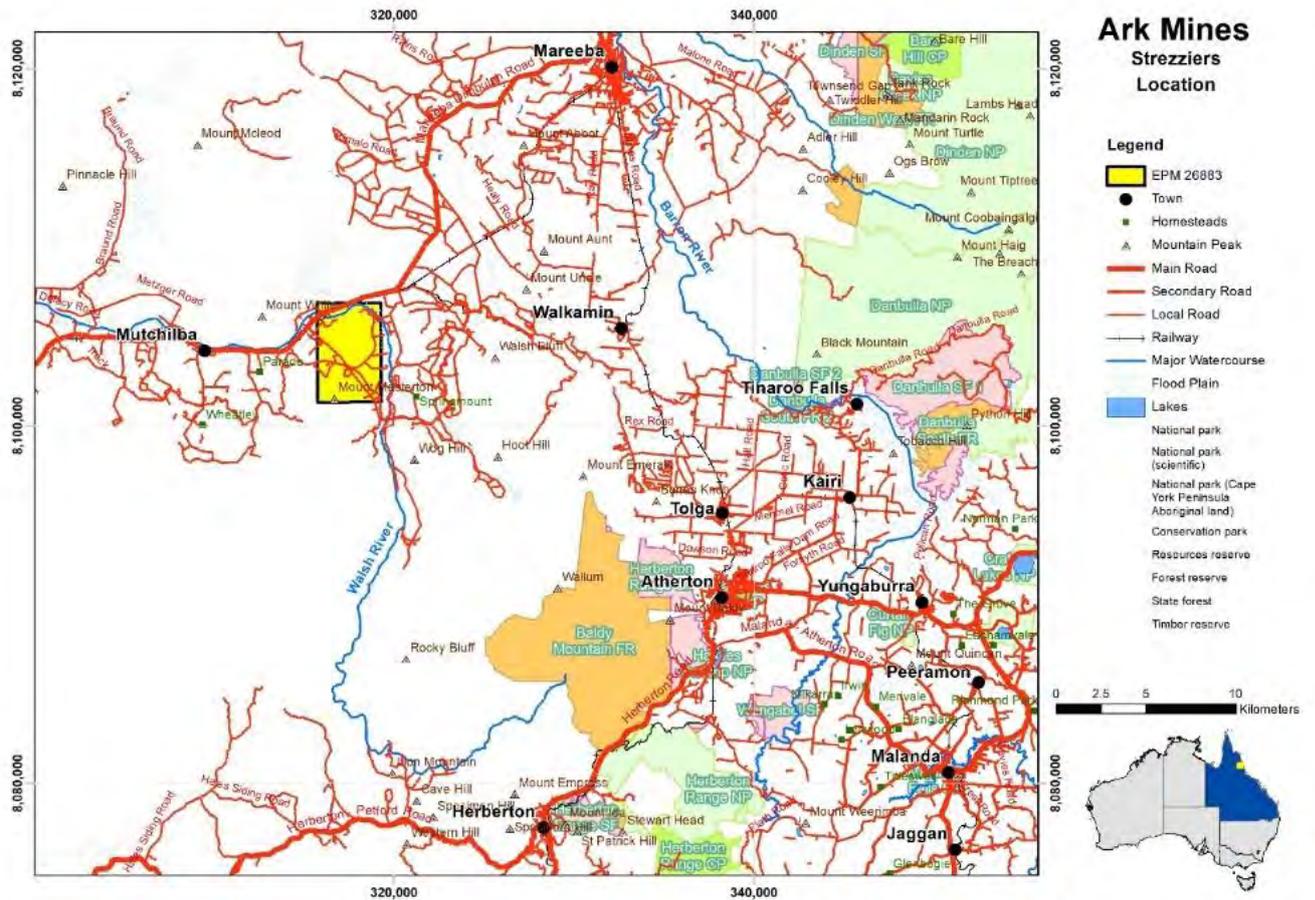


Figure 5: Pluton project Location, northern Queensland.

(b) Local Geology

The geology of the Pluton project is shown in (Figure 6). Stratigraphic units within the basement rocks can be differentiated only locally, owing to metamorphic effects and the intensity of deformation. Tertiary rocks are locally present at the western application boundary and in the southeast. The contact between basement and Tertiary sediments is frequently characterised by an irregular zone of deep weathering and leaching of the basement rocks beneath the contact. Tertiary outliers, comprising fluvial and lacustrine deposits of the Eocene Hogburn Formation and the Oligocene-Miocene Wedderburn Formation are locally capped by basalt flow remnants belonging to the Pliocene Waipiata volcanics (Murfit, 1997).

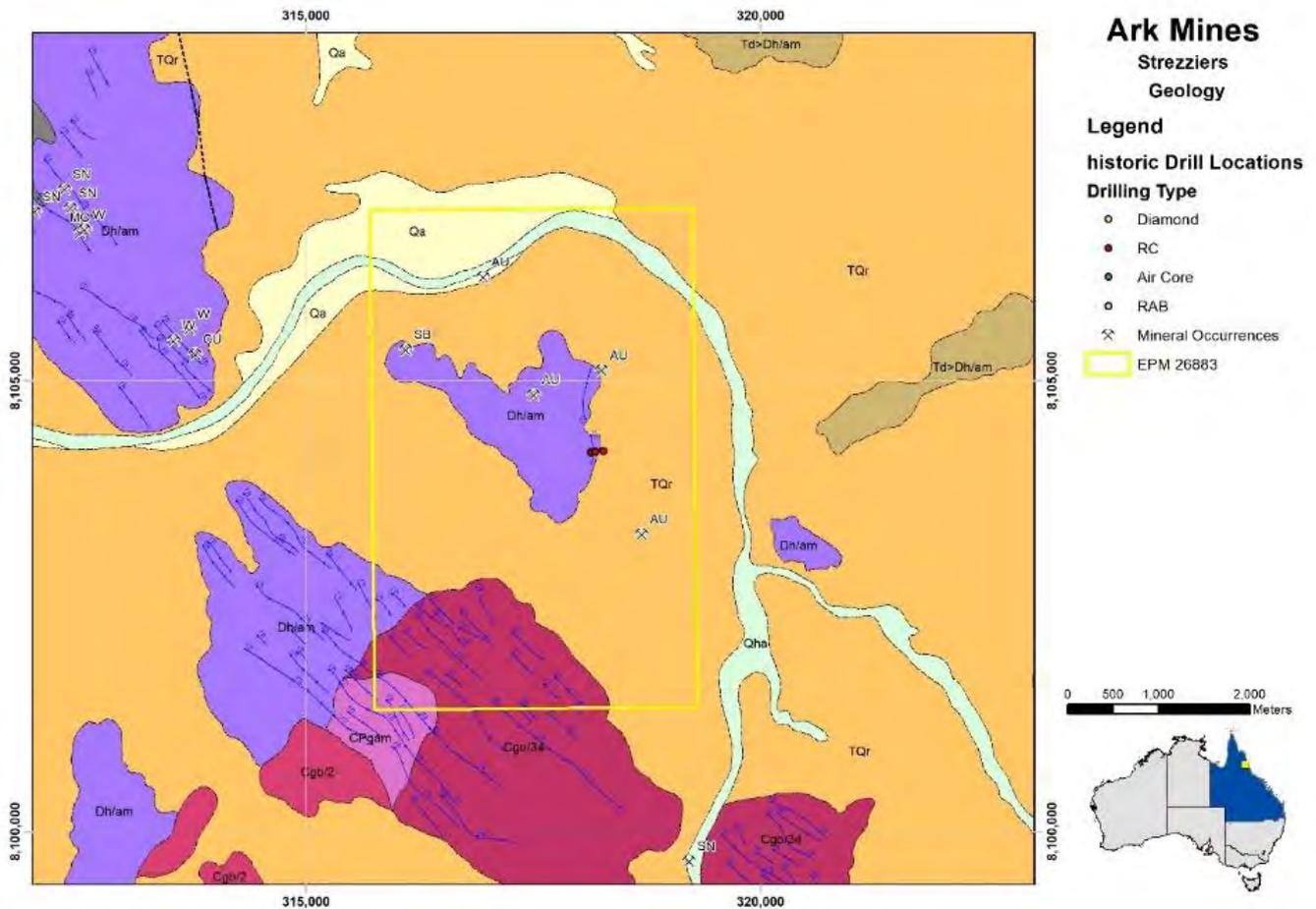


Figure 6: Geological map of the Pluton project.

(c) Previous Exploration

CRAE undertook significant work during the late 1980's including detailed mapping, geochemistry and geophysics of the breccia zone of the Pluton Prospect. An IP survey was carried out to define drill targets. CRAE also identified the Pluton prospective porphyritic dacite dykes and associated annular collapsed breccia as the best remaining target.

The Pluton project has had some drilling undertaken, with an intersection of 48m at 0.26g/t Au from 30m downhole. (Malachite May 2006 ASX: MAL)

Exploration work by Malachite Resources on Pluton targeted the breccia zone. Most of the breccia consists of angular sandstone fragments with a finer matrix.

15 surface rock chip samples were taken from breccia, quartz veined breccia, sulphide breccia and quartz veined sandstone. The test results were highly anomalous particularly for gold (9.94 g/t), Bismuth (730ppm) and lead (1230 ppm).

(d) Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out infill soil sampling and detailed soil sampling over some targeted locations, detailed geophysical interpretation, and further step out drilling from the previous drilling.

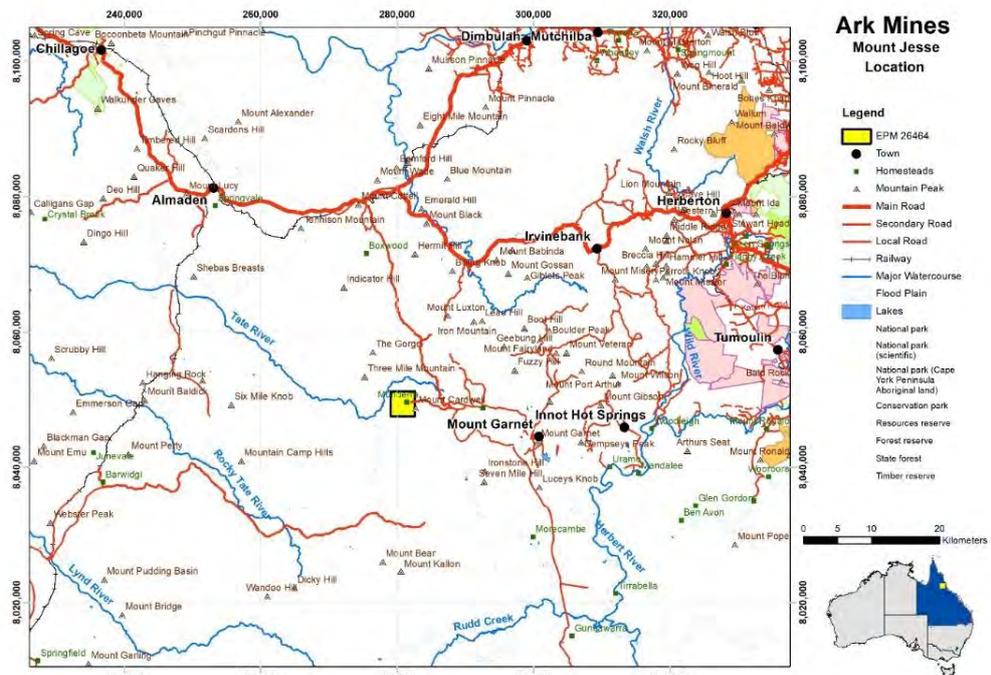
5.6 Mt Jesse Iron with Copper Project (EPM 26464)

(a) Project Overview

The Mount Jesse Iron with Copper project consists of one exploration permit (EPM 26464), which is located ~176km from Cairns in far-north Queensland (Figure 7).

The project covers three exposed iron formation occurrences, the main one of these occurs layered over fractured granodiorite. The iron formations are massive and homogenous, composed of hematite and magnetite, with strong magnetism. Associated with the Iron is a copper carbonate occurrence (malachite and bornite), in fractured plains.

The project is centered on a copper rich magnetite skarn which potentially is associated with porphyry style mineralisation within a granodiorite. The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the nearby Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.



The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.

Lam et al 1988 lists the Mount Cardwell mine (the main area of mineralisation at Jesse) as producing 1500t of skarn ore at 1% Cu and 10g/t Ag from 1904 to 1908. Company report 64480 by Internet lists the ore minerals for Mount Cardwell as chalcopyrite and bornite with minor galena, sphalerite and silver ores.

The mineralisation at the Mount Cardwell mine is constrained by granite which is visible on all sides of the small hill. Several other small lenses of mineralisation can be seen to the west of Mount Cardwell where the Chillagoe formation has not been eroded or completely destroyed by the granite intrusives. There is a strong correlation between the copper and the iron mineralisation, however, they do not always occur together and it is likely that the copper is only seen in zones that endured higher temperatures.

Multiple pits (of various sizes and depths), diggings and workings exist on the EPM. The pits and workings west of the Mount Cardwell mine would have most likely been searching for further zones of copper enrichment within the Chillagoe formation. The Chillagoe formation can be seen further to the west of the Mount Cardwell mineralisation however the mineralisation was found to dissipate on the surface after approximately 800m of non-continuous small poddy outcrops.

(d) Previous Exploration

The Cardwell copper deposit, which was mined in the late 19th Century comprises small open cuts, two shafts and an adit. These provided access to a skarn style deposit rich in chalcopyrite and bornite with minor galena, sphalerite and silver ores. Work at the mine was relatively short lived, with closure of the mine in the early 20th century due to carriage costs and low metal prices.

The Mt. Cardwell Copper Deposit contains a 90m long magnetite-hematite copper-stained gossan averaging nine metres in width sited above the old workings. Copper has been observed on ground surface in stockwork fracturing and sheeted quartz veins within skarn altered metasediments and fractionated acidic intrusives, as well as on the iron rich gossan. Additional iron +/- copper gossan outcrop has been mapped for some 380m along strike to the west from the old workings.

Historical soil and rock-chip sampling undertaken by InterMet Resources in 2007 encountered copper value up to 20.9%, with an anomalous copper zone identified over an area of 170m by 40m across the summit of a hill within the permit. Additionally, InterMet uncovered gold grades up to 3g/t.

InterMet carried out geophysical surveys at Mount Jesse (including ground-based magnetic and gravity surveys), which highlighted a north-east striking magnetic high which was used to target first pass drilling at the project. InterMet drilled 10 reverse circulation holes between 2008 and 2011, with drilling identifying areas of elevated iron ore (up to 22.65%) and copper (up to 2.11%) (Figure 9).

Coincidentally circa 3.5 km to the South East of Mt Jesse, Tableland Mining Group are now in the final stages of a significant drill program targeting 8-9MT of iron ore. TMG plan to mine and produce a high-grade iron ore concentrate targeting 66-68% Fe grade.

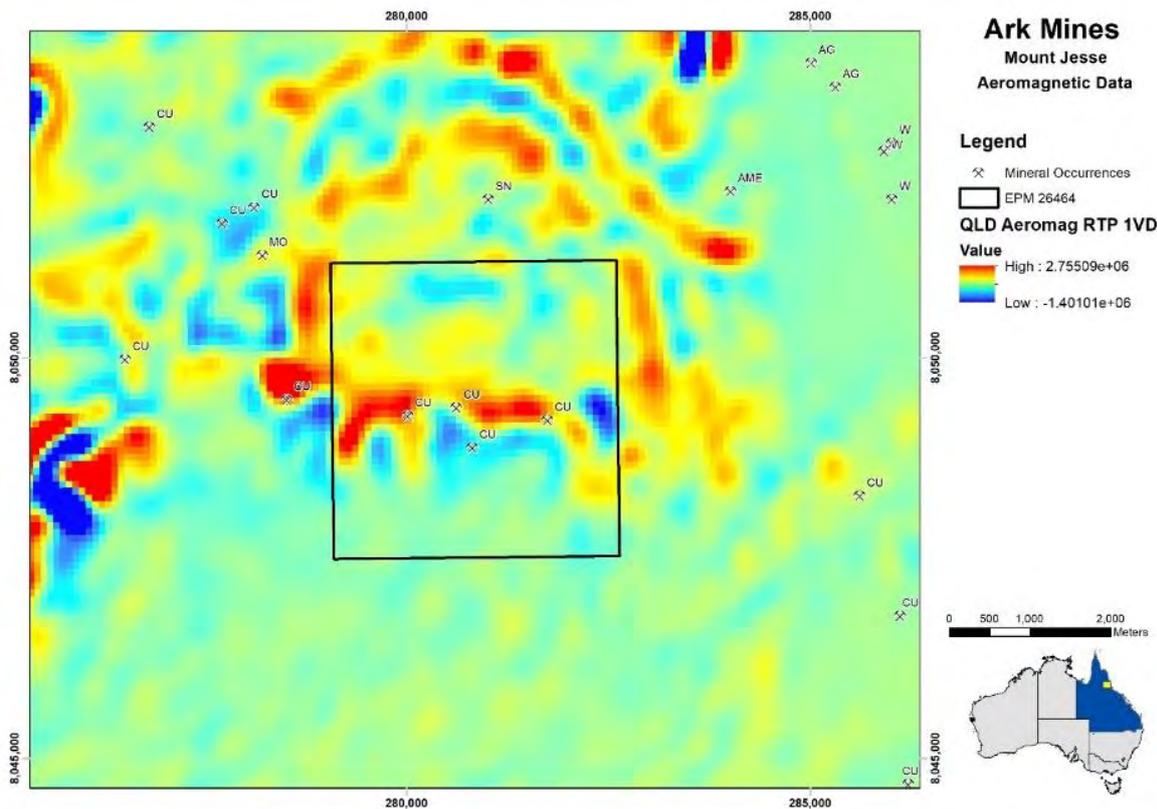


Figure 9: Aeromagnetics, Mt Jesse Project.

(e) Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out shallow drilling targeting the Southwest trending magnetic anomaly targeting the Jesse Iron Formation. Further to this Ark will undertake some infill sampling around anomalous copper zones, detailed geophysical interpretation, and undertake a first-pass drilling program across the copper target.

5.7 Re-compliance with Chapters 1 and 2 of the Listing Rules

The Company currently does not have any operations as a result of disposing its main undertaking prior to the DOCA termination, and the Acquisition is a change in the nature and scale of its activities. As a result, the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to completing the Acquisition and having its Shares re-instated to trading on ASX following Completion.

5.8 Consolidation

The Company proposes to undertake the consolidation of its Shares on a 20:1 basis (Consolidation).

Shareholders approved the Consolidation at the General Meeting. References in this **Prospectus to the Company's capital structure are on a post-Consolidation basis**, unless otherwise stated.

5.9 Use of funds raised under the Offer

Under the Public Offer, the Company seeks to raise between \$4,500,000 and \$5,000,000 (before costs).

Following Completion, the Company expects to use funds raised under the Public Offer and the existing cash as follows:

Item (\$,000)	Minimum Subscription		Maximum Subscription	
Pre-RTO Loan	200		200	
Capital Raising	4,500		5,000	
Total funds available	4,700		5,200	
Costs of the Transaction	443		476	
Exploration at the Gunnawarra project: geophysics acquisition & interpretation, drilling & assays	350	550	400	600
Exploration at the Mount Jesse project: geophysics acquisition & interpretation, drilling & assays	325	475	350	525
Exploration at the Pluton project: geophysics acquisition & interpretation, drilling & assays	175	225	200	275

New project assessment/review	125	125	150	150
General administration costs	400	400	425	450
Surplus working capital	1,057		1,119	

Notes:

¹ Being the combined estimated cash reserves of the Company and MIJ Holdings.

² This includes administration cost of running the business, including salaries to staff, rent and costs associated with services obtained by the Company.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in section 6).

5.10 Sufficiency of working capital

The Directors are of the opinion that the Company will have enough working capital to carry out its business objectives as described in this Prospectus.

5.11 Repayment of debts through the issue of Shares

As set out in section 5.1, the Directors and others (together the DOCA Contributors) **paid the Company's administrators approximately \$706,000 to effectuate the DOCA.** The payments (DOCA Contributions) were made on the basis that the Directors would, as part of a transaction that **would result in the Company's Shares being** reinstated to trading, seek Shareholder approval to have the DOCA Contributions repaid through the issue by the Company of Shares at an issue price of \$0.10 per Share, with 2 attaching Options (\$0.20 expiring 2 years from date of issue) for every Share issued.

In addition:

- (a) the Directors also paid certain expenses incurred by the Company and under the DOCA totaling \$42,000 (Reimbursements), which would also, subject to Shareholder approval, be repaid through the issue by the Company of Shares at an issue price of \$0.10 per Share, with 2 attaching Options (\$0.20 expiring 2 years from date of issue) for every Share issued; and
- (b) the Company has borrowed \$200,000 from investors (Pre-RTO Lenders), with funds raised to be used to pay for the costs of the Transaction (Pre-RTO

Loan), which would also, subject to Shareholder approval, be repaid through the issue by the Company of Shares at an issue price of \$0.10 per Share.

Details of the debts owed to Directors are set out in section 7.5. On 24 September 2021 Shareholders approved the issue of securities in full repayment of the DOCA Contributions, Reimbursements and Pre-RTO Loans on the above terms (Debt Conversions).

Funds raised through exercising Options will be used for general working capital.

This Prospectus contains an offer of Shares under the Debt Conversion (DOCA Contributions Share Offer). See sections 13.3 to 13.5.

5.12 Capital structure

The below table shows the Shares of the Company upon completion of the Re-compliance Transaction:

Items	Shares (minimum subscription)		Shares (minimum subscription)		Options	
	Number	%	Number	%	Number	%
Securities on issue (post consolidation)	2,616,058	6.00	2,616,058	5.67	Nil	Nil
Debt Conversion Shares	7,486,230	17.17	7,486,230	16.24	14,972,460	100
Pre-IPO Loan conversion	2,000,000	4.59	2,000,000	4.34	Nil	Nil
Vendor Shares	9,000,000	20.64	9,000,000	19.52	Nil	Nil
Capital Raising	22,500,000	51.60	25,000,000	54.23	Nil	Nil
Total	43,602,288	100	46,102,288	100	14,972,460	100

In addition, the Company will also have 14,972,460 Options on issue. See section 14.2 for the terms of the Options.

The Company has not issued any securities in the preceding 6 months and does not intend to issue any securities prior to completion of the Acquisition and re-admission.

No person will acquire voting power of 20% or more as a result of the Acquisition. The Company will not allocate Shares under the Offers in a manner inconsistent with section 606 of the Corporations Act.

The Company's free float at the time of re-admission to ASX will be not less than 20%.

5.13 Substantial Shareholders

Following is a list of persons that the Company is aware of currently having a relevant **interest in 5% or more of the Company's Shares** (on a post-Consolidation basis):

Name	Shares	%
Solo Resources Pty Ltd	333,800	12.76
Cobungra Holdings Pty Limited	316,387	12.09
Mr Ian Mitchell	290,249	11.20

Following the completion of Re-compliance Transactions (assuming that there is no investor subscribing more than 5% of the Shares of the Company under the Public Offer), on a post-Consolidation basis, the following person will hold 5% or more of **the Company's Shares** (assuming minimum subscription):

Name	Shares	%
Bmax Pty Holdings Limited ¹	up to 8,720,000	19.99

¹ Under the Acquisition, Bmax Holdings Pty Limited or its nominees will be issued 9,000,000 Shares. Bmax Holdings has advised the Company that it will, at issue, cause a number of Shares to be issued to un-associated third parties so that **Bmax Holdings will hold less than 20% of the Company's issued Shares**. Assuming minimum subscription, the number of Shares that will be held by Bmax Holdings is 8,720,000.

5.14 Dividend policy

The Company is a junior explorer and currently has no intention to pay dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

5.15 Company tax status and financial year

The Company will be taxed in Australia. The financial year of the Company ends on 30 June annually.

5.16 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, neither the Company, MIJ Holdings or any MIJ Holdings subsidiaries are involved in any legal proceedings. The Directors and the Proposed Director are not aware of any legal proceedings pending or threatened against the Company or MIJ Holdings.

6 RISK FACTORS

An investment in the Company is not risk free. Before deciding to trade in the Shares, Shareholders and prospective investors should read the entire Prospectus, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser.

The operating and financial performance and position of the Company, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Company and the Directors. Accordingly, these factors may have a material effect on the Company's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Risks in respect of MIJ Holdings' operations

There are a number of specific risks involved for the Company, and consequently its Shareholders, in relation to the acquisition of MIJ Holdings, including risks specific to the business and assets of MIJ Holdings, which include the following non-exhaustive list:

(a) Exploration costs

The exploration budget of the Company is based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may **materially and adversely affect the Company's viability.**

(b) Exploration success

MIJ Holdings' **tenements are at** various stages of exploration, with no 2012 JORC resource announced to-date. Potential investors should understand that mineral exploration and development are high-risk undertakings. There is no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.

(c) Risk relating to the Tenements

MIJ Holdings' **tenements are subject to a number of regulatory risks, including** the following potential risks:

- (i) Any outstanding rehabilitation on the land subject to the tenements.
- (ii) The potential for non-compliances in relation to Work Health & Safety requirements.
- (iii) Future non-compliances with the Mineral Resources Act, Mining Regulation, Licence Conditions and Codes of Practice including payment of fees, lodgment of reports and maintenance of records.
- (iv) The successful negotiation of and compliance with land access arrangements prior to conducting any advanced exploration activities. Access, however, cannot reasonably be refused and the Company can, following mediation and/or arbitration, apply to the Land Court for orders granting access.
- (v) Difficulties in reaching agreements with Native Title claimants in accordance with the right to negotiate provisions of the Native Title Act.

6.2 Industry specific risks

(a) Environmental

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most **exploration projects and mining operations, the Company's activities are** expected to have an impact on the environment, particularly if advanced **exploration or mine development proceeds. It is the Company's intention to** conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production.

The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable **rainfall or bushfires may impact on the Company's ongoing compliance with** environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that

environmental laws and regulations become more onerous making the **Company's operations more expensive.**

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(b) Exploration

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital and obtaining all required approvals for its activities. If exploration programmes prove to be unsuccessful this could lead **to a diminution in the value of the Company's tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.**

(c) Failure to satisfy expenditure commitments

Interests in tenements in Australia are governed by the mining acts and regulations that are current in those States and are evidenced by the granting of licences or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, the Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) Commodity price volatility and exchange rate risks

Commodity price volatility impacts both upon the value of the Company's projects and the potential revenue (if any) derived from those projects. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in foreign currencies, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between foreign currencies and the Australian dollar as determined in international markets.

(e) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and **financial performance of the Company's projects and business.**

(f) Insurance risks

The Company intends to insure its operations in accordance with industry **practice. However, in certain circumstances, the Company's insurance may** not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(h) Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

6.3 General risks

(a) Additional requirements for capital

The Company's capital requirements depend on numerous factors, including exploration cost and success. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain

additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be.

(b) Trading price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the **Company's market performance will not be adversely affected** by any such market fluctuations or factors.

(c) Potential acquisitions risk

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(d) Market conditions risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

(e) General economic and political risks

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the financial performance of the Company.

(f) Regulatory risk

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, MIJ Holdings or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and MIJ Holdings and the value of the **Company's securities. Therefore, the Shares to be issued by the Company carry no** guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative.

7.1 Directors

The Board currently comprises three Directors, Messrs Antony Corel, Roger Jackson and Ian Mitchell.

Upon re-admission of the Company to ASX:

- (a) Messrs Corel, Jackson and Mitchell will remain as Directors; and
- (b) Mr Benjamin Emery will be appointed as a Director.

Details of the Board meetings upon re-admission of the Company to ASX are as follows:

- (a) Mr Antony Corel - Non-executive Chairman (appointed since 4 December 2001)

Mr Corel is a solicitor with significant corporate and managerial experience gained within and outside Australia. This experience includes advising mineral companies for over 12 years. He has extensive legal experience advising both public and private sector organisations and managing significant commercial, corporate, regulatory and litigious matters. Since 2006 Mr Corel has, in addition to continuing his practice as a solicitor, accepted managerial roles in various private ventures, with a view to sharing his experience in law, governance, compliance and management.

Mr Corel is a dual Australian and UK resident.

Independence or affiliation: The Board considers that Mr Corel is independent.

Legal or disciplinary action: Nil.

Insolvent companies: Ark Mines Ltd. See section 5.1 for details.

- (b) Mr Roger Jackson - Executive Director (appointed since 21 October 2010)

Mr Jackson has been actively involved in the mining industry for 25+ years as a mine operator, in mine services and mineral exploration. He has been a founding director of a number of private and public mining and mine service companies.

Mr Jackson has maintained a geological and mining consulting business for the past 10 years whilst holding several executive roles. He has a strong knowledge of gold exploration and mining and has a sound knowledge of base metal mining and exploration. He has developed several mining and ore processing operations in Australia and abroad.

Mr Jackson has a Science degree with a major in Geology and Geophysics, and holds a Diploma in Financial Management, Diploma in Education, and an **AusIMM's Professional Certificate in JORC Code Reporting. He is long-standing**

Member of the Australian Institute of Company Directors, Member of the Australasian Institute of Geoscientists, Fellow of the Geological Society of London and a Fellow of the Australasian Institute of Mining and Metallurgists (AIMM) (Geological Competent Person).

Independence or affiliation: Mr Jackson is not independent.

Legal or disciplinary action: Nil.

Insolvent companies: Ark Mines Ltd. See section 5.1 for details.

- (c) Mr Ian Mitchell - Non-executive Director (appointed since 6 November 2011)

Mr Mitchell is a practicing solicitor with over 45 years' experience. He is the company secretary of a number of ASX-listed and non-listed public companies. He has over 30 years' experience as a director and secretary of listed mining, exploration and industrial companies. His legal expertise is in commercial law, contract law and ASIC and ASX compliance.

Independence or affiliation: Mr Mitchell is independent.

Legal or disciplinary action: Nil.

Insolvent companies: Ark Mines Ltd. See section 5.1 for details.

- (d) Mr Benjamin Emery - Director (appointment effective upon re-admission to ASX)

Mr Emery has been primarily involved in the mining sector for over a decade accumulating extensive experience and skill in locating, developing and monetising varied and diversified mining projects. He has successfully developed several green-field exploration projects into financially successful producing mines.

Mr Emery has been appointed to numerous board positions over the years and is currently Chairman of Franklin Exchange Pty Ltd, a dynamic and growing commodity trading house operating across various global markets whilst assisting international companies develop new strategic partners for growth.

Independence or affiliation: Mr Emery is not independent.

Legal or disciplinary action: Nil.

Insolvent companies: Nil.

7.2 Management

- (a) Roger Jackson - Executive Director
- (b) Benjamin Emery - Executive Director
- (c) Ian Mitchell - Company secretary

7.3 Director holdings

The Directors **and Proposed Director's** interest in Securities (on a post consolidated basis) both as at the date of this Prospectus and following the Transaction is as follow:

Directors	Currently		Following the Transaction ¹	
	Shares	Options	Shares	Options
Existing Directors				
Antony Corel	27,067	Nil	938,297	1,822,460
Roger Jackson	125,829	Nil	221,029	1,904,000
Ian Mitchell	292,371	Nil	440,391	296,040
Proposed Director				
Benjamin Emery	Nil	Nil	9,000,000 ²	Nil

1 See section 7.5 **for the Directors' interests in the Debt Conversions**. Shareholders have also approved the Directors participating in the Priority Offer for up to 500,000 Shares each. The above table assumes that the Directors do not participate in the Public Offer.

2 The number of Shares controlled by Mr Emery will depend upon the amount raised and the extent to which Mr Emery elects to have Vendor Shares issued to third parties (see section 5.13). In any event, however, **Mr Emery's relevant interest in the Company's Shares will not exceed 19.99%**.

7.4 Remuneration received by the Directors and their related entities

In the previous 2 years the Company has paid the Directors the following remuneration:

Director	Year	Primary fees/salary	Superannuation ²	Total
Executive Directors ¹				
Roger Jackson	2021	-	-	

	2020	8,500	-	8,500
Benjamin Emery	2021	-	-	
	2010	-	-	
Non-executive Directors				
Ian Mitchell ²	2021	-	-	
	2020	14,167	-	14,167
Antony Corel ³	2021	-	-	
	2020	23,610	2,243	25,853

- 1 Mr Jackson will from reinstatement and in addition to his consultancy fee, be **paid directors' fees of \$36,000 per annum.**
- 2 Mr Emery will from appointment and in addition to his consultancy fee, be paid **directors' fees of \$36,000 per annum.**
- 3 Mr Corel will from reinstatement be paid \$50,000 per annum for acting as the **Company's Chairman.**
- 4 Mr Mitchell will, from reinstatement, be paid \$50,000 per annum as a Non-executive Director and Company Secretary.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

7.5 **Directors' interests in DOCA** Contributions and Reimbursements

In addition to trade creditors (primarily to service providers for professional services provided in the ordinary course of business), the Company shareholders have approved the following creditors to be repaid through the issue of securities as follows:

(\$)	DOCA Contribution	Reimbursements	Shares	Options
Roger Jackson	80,000	15,200	952,000	1,904,000
Antony Corel	79,123	12,000	911,230	1,822,460
Ian Mitchell		14,802	148,020	296,040

Total	159,123	42,002	2,011,250	4,022,500
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The background to, and material terms of, the DOCA Contributions are as follows:

- (a) Directors Messrs Jackson and Corel and unrelated third parties (together the **DOCA Contributors**) paid \$706,623 to Ark's then administrators to fulfil obligations under the DOCA and allow control of Ark to return to its Directors. The payments were on the basis that the Directors would seek Shareholder approval for the payments to be repaid in full through the issue of Shares at an issue price of \$0.10 per Share, together with 2 Options for every Share issued. The issue is subject to Ark having its Shares reinstated to trading on ASX.
- (b) The payments are not secured and do not attract interest.
- (c) Ark has acknowledged that it is indebted to the DOCA Contributors for collectively \$706,623.

The background to, and material terms of, the Reimbursements are as follows:

- (d) The Directors paid certain expenses incurred by, or on behalf of, the Company and which together total \$42,002. These expenses include expenses relating to the **DOCA and Ark's incorporation (such as ASIC and ASX fees)**. The payments were on the same basis as the DOCA Contribution; namely that the Directors would seek Shareholder approval for the payments to be repaid in full through the issue of Shares at an issue price of \$0.10 together with 2 Options for every Share issued. The issue is subject to Ark having its Shares reinstated to trading on ASX.
- (e) The payments are not secured and do not attract interest.
- (f) Ark has acknowledged that it is indebted to the Directors for the Reimbursements for collectively \$42,002.

Shareholder approval for the issues was obtained at the Shareholder Meeting and the issue of securities **will satisfy the Directors' agreement under the DOCA Contributions and Reimbursements** to repay the DOCA Contributions and Reimbursements through the issue of securities.

7.6 Director appointment letters

- (a) Non-executive letter of appointment - Antony Corel

On 27 September 2021, the Company entered into a Non-Executive letter of appointment with Mr Corel for his appointment as a Non-Executive Chairman of the Company. Under the letter of appointment, Mr Corel is entitled to annual non-executive director fees of \$50,000, subject to **the Company's** re-admission to ASX.

- (b) Non-executive letter of appointment - Ian Mitchell

On 27 September 2021, the Company entered into a Non-Executive letter of appointment with Mr Mitchell for his appointment as a Non-Executive Director and Company Secretary of the Company. The Company may also use Mr **Mitchell's office as the Company's registered office**. Under the letter of appointment, Mr Mitchell is entitled to annual non-executive director and company secretary fees of \$50,000, subject to the **Company's re-admission** to ASX.

The Directors other than Messrs Corel and Mitchell consider the financial benefits to be given to Messrs Corel and Mitchell to be reasonable remuneration given the **Company and Messrs Corel and Mitchell's circumstances (including the responsibilities involved)** so that Shareholder approval was not required under Chapter 2E of the Corporations Act.

7.7 Executive Service Agreement

(a) Roger Jackson - Technical Director

The Company, Every Day Hire Pty Limited (an entity controlled by Mr Jackson) and Mr Jackson are parties to a consultant services agreement, the material terms of which are as follows:

- (i) Every Day Hire Pty Limited, through Mr Jackson will provide certain services to the Company as agreed. To perform the services, Mr Jackson will work for no less than 8 days per month.
- (ii) Every Day Hire Pty Limited will be paid \$36,000 per annum and a daily rate of \$1,200.
- (iii) The agreement may be terminated without cause on 3 months' notice.

(b) Benjamin Emery - Executive Director

The Company, Bmax (an entity controlled by Mr Emery) and Mr Emery are parties to a consultant services agreement, the material terms of which are as follows:

- (i) Bmax Pty Limited, through Mr Emery will provide certain services to the Company as agreed. To perform the services, Mr Emery will work for no less than 8 days per month.
- (ii) Bmax Pty Limited will be paid will be paid \$36,000 per annum and a daily rate \$1,200.
- (iii) The agreement may be terminated without cause on 3 months notice.

The Directors other than Messrs Jackson and Emery consider the financial benefits to be given under the executive services agreements to be reasonable remuneration **given the Company and Messrs Jackson and Emery's circumstances (including the responsibilities involved)** so that Shareholder approval was not required under Chapter 2E of the Corporations Act.

7.8 Deeds of access and indemnity

The Company has entered into deeds of access, indemnity and insurance with each of the Directors and the Proposed Director.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- (a) indemnify each Director and officer in certain circumstances;
- (b) maintain directors' and officers' insurance cover (if available) in favour of each Director whilst a Director and for seven years after the Director or officer has ceased to be a Director (provided run-off insurance can be procured at reasonable policy premiums); and
- (c) **provide access to any Company records which are relevant to the Director's** holding of office with the Company, for a period of seven years after the Director has ceased to be a Director.

7.9 No other Directors interests

Other than as set out below or elsewhere in this Prospectus, no Director or Proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offers; or
- (c) the Offers;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director or Proposed Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or Proposed Director in connection with the formation or promotion of the Company or the Offers.

7.10 Corporate governance and compliance with continuous disclosure obligations

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- (a) protection and enhancement of Shareholder value;

- (b) formulation, review and approval of the objectives and strategic direction of the Company;
- (c) approving all significant business transactions including acquisitions, divestments and capital expenditure;
- (d) monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- (e) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (f) the identification of significant business risks and ensuring that such risks are adequately managed;
- (g) the review and performance and remuneration of executive directors and key staff; and
- (h) the establishment and maintenance of appropriate ethical standards.

The Board has adopted and will comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Copies of corporate governance policies are accessible on the Company's website at www.arkmines.com.

As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its 'if not, why not' report in relation to those matters of corporate governance where the Company's practices depart or will depart from the recommendations.

Recommendation Reference - ASX Guidelines	Notification of Departure	Explanation for Departure
2.4	A nomination committee has not been established.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.
3.2	A diversity policy has not been established.	The Board supports workplace diversity but considers that the Company is not of a size or maturity to justify a formal diversity policy. The Board's priority has been to

Recommendation Reference - ASX Guidelines	Notification of Departure	Explanation for Departure
4.1, 4.2, 4.3	An audit committee has not been established.	<p data-bbox="815 322 1394 524">ensure that its members have the appropriate level of experience and skills to manage the Company and its operation rather than focussing on gender and other diversity factors.</p> <p data-bbox="815 562 1394 976">The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.</p>
8.1	A remuneration committee has not been established.	<p data-bbox="815 1021 1394 1478">The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee.</p>

8 MATERIAL CONTRACTS

The Company is a party to the following contracts that the Directors consider material to investors:

8.1 Acquisition Agreement to acquire MIJ Holdings

The material terms of the agreement between Ark and Bmax (Acquisition Agreement) are as follows:

- (a) Ark will purchase all of the issued shares of MIJ Holdings for 9,000,000 Shares (Vendor Shares).
- (b) Completion is conditional upon the following:
 - (i) Mutual due diligence. This condition has been satisfied.
 - (ii) Ark Shareholders approving the acquisition. Approval was obtained at the Shareholder Meeting held on 24 September 2021.
 - (iii) The projects being held by MIJ Holdings.
 - (iv) **Confirmation that ASX will, following the Acquisition, reinstate Ark's Shares to trading on ASX.**
 - (v) Ark remaining admitted to the Official List of ASX. By lodging this Prospectus, the Company is not aware of any reason why this condition will not be satisfied.
 - (vi) Ark raising a minimum of \$4.5 million under the Public Offer.
- (c) At completion MIJ Holdings will have no debts or employees.
- (d) The parties may as part of due diligence agree warranties.

The Company has not agreed to pay any fees to any person for finding, arranging or facilitating the Acquisition.

8.2 Executive Services Agreement with Mr Jackson

See section 7.7 for a summary of the terms.

8.3 Executive Services Agreement with Mr Emery

See section 7.7 for a summary of the terms.

8.4 Non-Executive Service Agreements

Antony Corel and Ian Mitchell have entered into appointment letters with the Company to act in the capacity of non-executive directors. These Directors will receive the remuneration set out in section 1.

8.5 Lead Manager Mandate

On 6 August 2021, the Company entered into a mandate to appoint Sanlam Private Wealth (Sanlam) to act as Lead Manager in relation to the Public Offers (Lead Manager Mandate). Pursuant to the Lead Manager Mandate, Sanlam is engaged to provide lead manager services in connection with the Public Offer for a period of 12 months from the date of the Lead Manager Mandate, with either party having an option to extend for a further period of 12 months. As at the date of this Prospectus, the Company has not paid Sanlam for lead manager services provided under the Lead Manager Mandate.

The following fees are payable by the Company to Sanlam pursuant to the Lead Manager Mandate:

- (a) (Capital Raising Fee): a fee equal to 4% of all funds raised in connection with the Public Offer by Sanlam;
- (b) (Lead Manager Fee): a fee equal to 2% of all capital raised and a \$100,000 success fee (excluding GST); and
- (c) (Administration Fee): a fee of \$10,000 (excluding GST) for corporate administration, allocation management and funds reconciliation.

The Lead Manager Mandate contains additional provisions considered standard for agreements of this nature.

9 FINANCIAL INFORMATION

Investors should be aware that past performance is not an indication of future performance. There are no forecasts included in this financial information section as there are significant uncertainties associated with forecasting future revenues and expenses of the Company.

9.1 Introduction

The financial information of the Company and its controlled entities contained in this section includes:

Historical Financial Information, being the

- (a) Audited historical statement of profit or loss and other comprehensive income for the financial years ended 30 June 2020 and 30 June 2021;
- (b) Audited historical statement of cash flows for the financial years ended 30 June 2020 and 30 June 2021;
- (c) Audited historical statement of financial position as at 30 June 2021; and

Pro Forma Historical Financial Information, being the pro forma consolidated historical statement of financial position as at 30 June 2021,

(collectively referred to as the “Financial Information”).

All amounts disclosed in this section are presented in Australian dollars. The Company has a June year end.

Also summarised in this section are the basis of preparation and presentation of the Financial Information (see section 9.3).

The Financial Information has been reviewed and reported on by Moore Australia Corporate Finance (WA) Pty Ltd whose **Investigating Accountant’s Report is contained** in section 10. Investors should note the scope and limitations of the **Investigating Accountant’s Report**.

The information in this section should also be read in conjunction with other information contained in this Prospectus including:

- (a) management discussion and analysis in relation to reported historical results set out in section 9.4(a);
- (b) the risk factors described in section 6; and
- (c) **the Investigating Accountant’s Report on the historical and pro-forma financial information set out in section 10.**

9.2 Financial information

The financial information included in this section 9 was prepared by management and was adopted by the Directors. The Directors are responsible for the inclusion of

all financial information in this Prospectus. The bases of preparation are identified in the relevant sections.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company and its controlled entities.

9.3 Basis of preparation and presentation of the Historical Financial Information

The Historical and Pro Forma Historical Financial Information has been prepared for the purpose of the Offers.

The Historical and Pro Forma Historical Financial Information has been prepared in accordance with the measurement and recognition criteria (but not the disclosure requirements) of Australian Accounting Standards (AAS) and the summary of significant accounting policies outlined in section 9.8. The Financial Information is presented in an abbreviated form in so far as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with AAS and the Corporations Act 2001.

The Pro Forma Historical Financial Information includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions as if they had occurred on or before 30 June 2021.

The Pro Forma Historical Financial Information does not reflect the actual statement of financial position of the Company as at 30 June 2021. The Company believes that it provides useful information as it illustrates the financial position of the consolidated Group as at 30 June 2021 on the basis that the Offers and other related pro-forma transactions were completed as at that date.

Accounting policies have been consistently applied throughout the periods presented. Significant accounting policies of the Company, relevant to the Financial Information are set out in section 9.8.

The Historical Financial Information has been extracted from the audited financial statements of the Company for the financial years ended 30 June 2020 and 30 June 2021 which were audited by Moore Australia Audit (WA). An unmodified audit opinion was issued on **the Company's** 30 June 2020 and 2021 financial reports. Both audit reports contained an emphasis of matter paragraph related to the application of the going concern basis of accounting and the 30 June 2020 audit report contained an emphasis of matter that they did not express an opinion on the 2019 comparative financial information as the previous auditor had disclaimed their opinion.

The Pro Forma Historical Financial Information has been reviewed by Moore Australia **Corporate Finance (WA) Pty Ltd as set out in the Investigating Accountant's Report (IAR)** in section 10. Investors should note the scope and limitations of the IAR.

9.4 General factors affecting the operating results of the Company

Below is a discussion of the main factors which affected the Company's operations and relative financial performance for the financial years ended 30 June 2020 and 30 June 2021 which the Company expects may continue to affect it in the future.

The discussion of these general factors is intended to provide a summary only and **does not detail all factors that affected the Company's historical operating and financial performance, nor everything which may affect the Company's operations** and financial performance in the future. The information in this section should also be read in conjunction with the risk factors set out in the section **'Risk Factors'**, and the other information contained in this Prospectus.

(a) Historical Statement of Profit or Loss and Other Comprehensive Income

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income for the Company for the years ended 30 June 2020 and 2021.

	Note	Year ended 30 June 2021	Year ended 30 June 2020
		\$	\$
Normal Activities			
Revenue			
Other revenue		-	60,147
Operating expenses			
Administration		668,530	223,051
Audit, accounting and company secretarial		68,480	84,686
ASX Listing fees		34,295	8,930
Other expenses		4,630	102,135
Loss from operating activities		(775,935)	(358,655)
Other Activities		-	-
Net gain from completion of DOCA		7,114,581	-

Fair value movement on derivative liability		552,513	(2,065,450)
Other		-	(21,656)
Profit/(Loss) before income tax		6,891,159	(2,445,761)
Total other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		6,891,159	(2,445,761)

(i) Revenue

Apart from revenue of \$60,000 from creditor funding of the Administration process and minor interest income in 2020, there was no other revenue generated for the financial years ended 30 June 2020 and 30 June 2021.

(ii) Expenses

The most significant expenditure for the 2020 and 2021 financial years was Administrators costs, given that the Company was either in Administration or Deed Administration (DOCA) for most of the 2020 and 2021 financial years (25 September 2019 until the DOCA completed on 10 June 2021).

Other expenditure is largely comprised of professional services fees in respect of director fees, ASX fees and other service providers. Other than these transactions, the Company did not conduct any substantial business operations over the last two year.

(iii) Net Gain from Completion of DOCA

The net gain from completion of the DOCA represents the proceeds from sale of assets and derecognition of liabilities, less the book value of assets sold and distributions to secured and unsecured creditors.

(iv) Fair Value Movement on Derivative Liability

The derivative liability, relating to a gold loan facility agreement, was measured at fair value at each balance date, with the resulting change in fair value being recorded as a gain or loss.

(b) Historical Statement of cash flows

The table below presents the Historical Statement of Cash Flows of the Company for the financial years ended 30 June 2020 and 2021.

	Note	Year ended 30 June 2021	Year ended 30 June 2020
		\$	\$
Cash flows from operating activities			
Interest expense		-	(21,536)
Payments to suppliers and employees		(1,177,910)	(255,345)
Net cash (used in) by operating activities		(1,177,910)	(276,881)
Cash flow from investing activities			
Payment for exploration and evaluation expenditure		(45,807)	(43,422)
Other investing activities		-	10,000
Net cash provided by/(used in) financing activities		(45,807)	(33,422)
Cash flow from financing activities			
Proceeds from asset sale deposit		3,425,000	150,000
Payment for dividend to secured creditor		(2,843,173)	-
Issue of shares, net of costs		-	36,436
Other financing activities		602,625	163,000
Net cash provided by/(used in) financing activities		1,184,452	349,436
Net (decrease)/increase in cash held		(39,265)	39,133
Cash at beginning of the period		40,481	1,348

During the financial years ended 30 June 2020 and 30 June 2021, the **Company's cash flow activities consisted of the following:**

- (i) Payment of operating expenditure including the Administrators costs as well as expenditure incurred in relation to the identification of new acquisition opportunities.
 - (ii) Proceeds from an asset sale and subsequent payment of a dividend to **the Company's secured creditor.**
 - (iii) The Company raising funds by way of loans to fund the DOCA.
- (c) Historical Statement of Financial Position

The table below presents the Historical Statement of Financial Position of the Company as at 30 June 2020 and 30 June 2021.

	Note	2021	2020
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,216	40,481
Trade and other receivables		4,283	44,469
Capitalised exploration and evaluation expenditure		-	3,134,640
Other current assets		-	125,248
Total Current Assets		5,499	3,344,838
Total Assets		5,499	3,344,838
LIABILITIES			
Current liabilities			
DOCA contribution		748,625	100,000
Derivative liability		-	8,920,132
Trade and other payables		60,500	1,133,491
Borrowings		14,000	750,000

Other liabilities		-	150,000
Total Current Liabilities		823,125	11,053,623
Total liabilities		823,125	11,053,623
Net Assets		(817,626)	(7,708,785)
EQUITY			
Issued capital		9,976,683	9,976,683
Accumulated losses		(10,794,309)	(17,685,468)
Total Equity		(817,626)	(7,708,785)

9.5 Pro forma historical financial information

(a) Proforma transactions

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offers, referred to as the pro forma adjustments, are presented as if they, together with the Offers, had occurred on or before 30 June 2021 and are set out below:

- (i) On 25 August 2021, the Company announced that it had signed a binding heads of agreement with Bmax to acquire 100% of the issued shares in MIJ Holdings. Consideration for the Acquisition is \$1.8 million, to be satisfied by the issue of 9,000,000 fully paid ordinary shares in the Company, at a deemed issue price of \$0.20 per share (post a 20 for 1 consolidation) to Bmax, the vendor of MIJ, or its nominee. As the acquisition is required to be accounted for as a reverse acquisition the pro forma financial information has therefore been prepared as a continuation of the operations of MIJ.
- (ii) The Company consolidating its fully paid ordinary shares on a 20 for 1 basis.
- (iii) The Company issuing 7,486,250 fully paid ordinary shares (post the 20 for 1 consolidation) at an agreed issue price of \$0.10, with two free attaching options for each ordinary share issued, exercisable at \$0.20 and expiring 2 years after issue, to repay the DOCA contribution balance of \$748,625; and
- (iv) The Company issuing 2,000,000 fully paid ordinary shares (post the 20 for 1 consolidation) at an agreed issue price of \$0.10 to repay the loan

of \$14,000 included in these financial statements, plus a further loan of \$186,000 made to the Company post 30 June 2021 to fund the Company prior to the Capital Raising.

- (v) The Company issuing a minimum of 22.5 million ordinary shares (post the 20 for 1 consolidation) at \$0.20 to raise \$4.5 million and a maximum of 25.0 million ordinary shares, before expenses of the offer; and
- (vi) The total expenses associated with the offer have been estimated to be a minimum of \$443,000 and maximum of \$476,000 of which \$280,000 (minimum) and \$310,000 (maximum) has been debited to issued capital as share issue costs and the balance to accumulated losses. A full breakdown of the Offer costs is as follows:

Cost (\$)	Minimum Subscription	Maximum Subscription
Independent Technical Consultant	15,000	15,000
Investigating accountants	11,000	11,000
Legal fees, Inc. tenement report	44,000	44,000
ASIC and ASX fees	73,000	76,000
Brokers' fees	280,000	310,000
IPO compliance fees	15,000	15,000
Share registry and other costs	5,000	5,000
Total Expenses of the Offer	443,000	476,000

The pro forma historical Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Offers.

- (b) Pro forma consolidated historical statement of financial position as at 30 June 2021

The pro forma consolidated historical statement of financial position as at 30 June 2021, set out below, has been prepared to illustrate the financial position of the Company, following completion of the Offers and the transactions outlined in section 9.5(a).

	Note	The Company 30 Jun 21 (audited)	Sub-total of proforma transactions	Impact of Offer		Total Proforma	
				Min (\$)	Max (\$)	Min (\$)	Max (\$)
Current assets							
Cash and cash equivalents	1	1,216	186,010	4,057,000	4,524,000	4,244,226	4,711,226
Trade and other receivables		4,283	-	-	-	4,283	4,283
Total current assets		5,499	186,010	4,057,000	4,524,000	4,248,509	4,715,509
Non-current assets							
Exploration & evaluation expenditure	2	-	1,800,000	-	-	1,800,000	1,800,000
Total non-current assets		-	1,800,000	-	-	1,800,000	1,800,000
Total assets		5,499	1,986,010	4,057,000	4,524,000	6,048,509	6,515,509
Current liabilities							
DOCA Contribution		748,625	748,625			-	-
Trade and other payables		60,500	-	-	-	60,500	60,500
Borrowings		14,000	14,000	-	-	-	-
Total current liabilities		823,125	762,625	-	-	60,500	60,500
Total liabilities		823,125	-	-	-	60,500	60,500
Net Assets		(817,626)	2,748,635	4,057,000	4,524,000	5,988,009	6,455,009

Equity							
Issued capital	3	9,976,683	(5,756,211)	4,220,000	4,690,000	8,440,472	8,910,472
Reserves	4	-	826,858			826,858	826,858
Retained Earnings / (Accumulated losses)	5	(10,794,309)	7,677,988	(163,000)	(166,000)	(3,279,321)	(3,282,321)
Total Equity		(817,626)	2,748,635	4,057,000	4,524,000	5,988,009	6,455,009

Note 1 - Cash and cash equivalents

	Min (\$)	Max (\$)
Balance as at 30 June 2021	1,216	1,216
Acquisition of MIJ Holdings Pty Ltd	10	10
Pre RTO investor loans	186,000	186,000
Pro-forma transaction subtotal	186,010	186,010
Proceeds from shares issued under the offer	4,500,000	5,000,000
Cash payments for offer costs	(443,000)	(476,000)
Impact of offer subtotal	4,057,000	4,524,000
Total proforma balance	4,244,226	4,711,226

Note 2 - Exploration & evaluation expenditure

	Min (\$)	Max (\$)
Balance as at 30 June 2021	-	-
Issue of shares - acquisition of Project 1	600,000	600,000
Issue of shares - acquisition of Project 2	600,000	600,000
Issue of shares - acquisition of Project 3	600,000	600,000
Pro-forma transaction subtotal	1,800,000	1,800,000
Impact of offer subtotal	-	-

Total proforma balance	1,800,000	1,800,000
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Note 3 - Issued capital

	Min (\$)	Max (\$)
Balance as at 30 June 2021	9,976,683	9,976,683
Issue of shares - acquisition of MIJ Holdings	1,800,000	1,800,000
Reverse acquisition adjustment to reverse opening share capital value of Ark Mines Limited	(9,453,461)	(9,453,461)
Issue of shares - settlement of DOCA contributions	1,413,250	1,413,250
Issue of shares - settlement of DOCA reimbursements	84,000	84,000
Issue of shares - conversion of pre-RTO investor loans	400,000	400,000
Pro-forma transaction subtotal	4,220,472	4,220,472
Issue of shares, net of costs	4,220,000	4,690,000
Impact of offer subtotal	4,220,000	4,690,000
Total proforma balance	8,440,472	8,910,472

Note 4 - Reserve

	Min (\$)	Max (\$)
Balance as at 30 June 2021	-	-
Pro-forma transaction subtotal	-	-
Issue of options to settle DOCA contributions	826,858	826,858
Impact of offer subtotal	826,858	826,858
Total proforma balance	826,858	826,858

Note 5 - Retained Earnings / (Accumulated losses)

	Min (\$)	Max (\$)

Balance as at 30 June 2021	(10,794,309)	(10,794,309)
Cost of settling DOCA contributions and reimbursements	(1,575,483)	(1,575,483)
Cost of settling pre RTO investor loans	(200,000)	(200,000)
Reverse acquisition adjustment to reverse pre acquisition losses of the Company	9,453,471	9,453,471
Pro-forma transaction subtotal	(3,116,321)	(3,116,321)
Impact of offer subtotal	(163,000)	(166,000)
Total proforma balance	(3,279,321)	(3,282,321)

Reconciliation of the issued capital is set out below:

	Min	Max
Shares on issue as at 30 June 2021 (post consolidation)	2,616,058	2,616,058
Issue of shares - acquisition of MIJ Holdings	9,000,000	9,000,000
Issue of shares - settlement of DOCA contributions	7,066,230	7,066,230
Issue of shares - settlement of DOCA reimbursements	420,000	420,000
Issue of shares - conversion of pre-RTO investor loans	2,000,000	2,000,000
Pro-forma transaction subtotal	21,102,288	21,102,288
Issue of shares, net of costs	22,500,000	25,000,000
Impact of offer subtotal	22,500,000	25,000,000
Total proforma balance	43,602,288	46,102,288

9.6 Subsequent events

Other than as set out in section 9.5(a), the Directors are not aware of any significant events since the end of the reporting period.

During the year ended 30 June 2021, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. Post balance date the COVID-19 outbreak continues to evolve and as such the estimated financial impact on future financial performance, if any, cannot be reasonably determined at this juncture.

The Company will be taking steps to proactively manage its exploration projects.

9.7 Acquisition Accounting

Reverse acquisition of the Company by MIJ Holdings Pty Ltd (“MIJ”)

A summary of the details pertaining to the proposed acquisition is set out below. These details have been determined for the purposes of the pro forma adjustments as at 30 June 2021 and will require re-determination as at the date of completion of the acquisition, which may result in changes to the values set out below.

MIJ is deemed to be the accounting acquirer in the business combination as the existing shareholders of MIJ will obtain a controlling interest in the entity following the acquisition. MIJ, as the deemed acquirer, will account for the acquisition of the Company as if the group was headed by and on the basis of the continuation of MIJ. Consequently, the transaction has been accounted for similar to a reverse acquisition whereby, under AASB2 Share Based Payments, MIJ is deemed to have issued shares to the Company shareholders in exchange for the net assets of the Company with the net assets of MIJ being recorded at their book values and the net assets of the Company being recorded at their fair values.

Details of the fair value of assets and liabilities acquired, and excess consideration are as follows:

Purchase consideration:	AUD\$
Being the deemed fair value of consideration paid for the Company	523,212
Less: fair value of net identifiable assets acquired on reverse acquisition (see below)	(817,626)
Premium paid	1,340,838

The premium paid has been expensed in the statement of profit or loss and other comprehensive income as a cost of listing.

Details of the fair value of identifiable assets and liabilities of the Company as at 30 June 2021 (deemed acquisition date) are as follows:

	Book carrying value Actual 30 June 2021 AUD\$	Fair value Pro-forma 30 June 2021 AUD\$
Assets		
Cash and cash equivalents	1,216	1,216
Receivables	4,283	4,283
Liabilities		
Trade and other payables	60,500	60,500
Borrowings	14,000	14,000
DOCA Contributions	748,625	748,625
Net Assets	(817,626)	(817,626)

9.8 Summary of Significant Accounting Policies

The accounting policies have been consistently applied during the periods presented, unless otherwise stated.

A summary of significant accounting policies which have been adopted in the preparation of the Historical and Pro Forma Historical Financial Information, and which will be adopted to prepare the annual financial statements of the Company for the year ending 30 June 2022 and subsequent years, is set out as follows:

(a) Basis of preparation

The financial information has 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 for-profit oriented entities. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial information has been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value

through other comprehensive income, investment properties, certain classes of property, plant and equipment, biological assets and derivative financial instruments.

(b) Principles of consolidation

The consolidated financial information incorporate the assets and liabilities of all subsidiaries of the Company as at period end and the results of its subsidiary for the period then ended. The Company and its subsidiary **together are referred to in this financial information as the 'Group 'or 'the consolidated entity'**.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting, unless it is an acquisition involving entities or businesses under common control. For common control acquisitions the excess of the purchase price over the identifiable fair value of net assets acquired, is recognised in equity as a reserve.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Foreign currency translation

The financial statements are presented in Australian dollars, which is the **Company's functional and** presentation currency.

(d) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from

the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(e) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(h) Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

(i) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(j) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation

techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account **a market participant's ability to use the asset in its highest and best use** or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(k) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

(l) Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a **straight-line basis over the asset's useful life to the Company** commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- (i) Class of Fixed Asset: Useful life
- (ii) Office equipment: 5 years
- (iii) Leasehold improvements: Shorter of the remaining term of the lease or the life of the improvement

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(m) Right of use assets and lease liabilities

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(n) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher **of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.**

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(o) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position

(r) Other income recognition

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income is recognised when it is received or when the right to receive payment is established.

All income is stated net of the amount of goods and services tax.

(s) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(t) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(u) Exploration and evaluation expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered 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.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss 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 capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(v) Share based payments

Equity settled share based payments in return for goods and services are measured at the fair value of the goods and services received, except when the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument.

(w) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value through the profit and loss.

(x) Going concern

As at 30 June 2021, the Company has accumulated losses of \$10,794,309, negative equity of \$817,626 and net operating cash outflow for the year of \$1,177,910.

Notwithstanding the above, **the directors are satisfied with the Company's** current financial position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- (i) The Company is in the process of completing a public offering, proposes to seek re listing on the Australian Securities Exchange (ASX), and is aiming to raise a minimum of \$4.5 million before costs, with the process progressing as planned; and
- (ii) Should the group not succeed with its planned capital raising, **the directors are able to selectively manage and reduce the Company's cash outflow to manage the Company's cash position, as well as** consider alternative fund-raising arrangements to provide the Company with the necessary cashflow required.

After consideration of the above factors, the Directors are of the opinion that it is appropriate for the Company to prepare the financial information on a going concern basis and, as a result, the financial information does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not be able to continue on a going concern basis.

Notwithstanding this assessment, there exists a material uncertainty that **may cast doubt on the Company's ability to continue as a going concern for** at least the next 12 months and, if this was to be the case, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

27 September 2021

The Directors of Ark Mines Limited
Level 9, MLC Centre
19-29 Martin Place
SYDNEY NSW 2000

Dear Directors

Investigating Accountant's Report

1. Introduction

This report has been prepared at the request of the Directors of Ark Mines Limited (the "Company" or "Ark Mines") for inclusion in a prospectus to be issued by the Company ("Prospectus") in respect of the proposed public offering of fully paid ordinary shares in the Company ("Capital Raising" or "the Offer") and the proposed reinstatement of listing of the Company on the Australia Securities Exchange ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the prospects for Ark Mines, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

2. Scope of Report

The Directors of the Company have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Investigating Accountant's Report on:

Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Historical Statement of Profit or Loss and other comprehensive income of Ark Mines for the years ended 30 June 2020 and 2021;
- The Historical Statement of Cash flows of Ark Mines for the years ended 30 June 2020 and 2021; and
- The Historical Statement of Financial Position of Ark Mines as at 30 June 2021;

which is collectively termed the "Historical Financial Information".

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from the audited general purpose financial statements of the Company for the years ended 30 June 2020 and 2021.

Historical Financial Information (continued)

Moore Australia Audit (WA) audited the general purpose financial statements of the Company for the years ended 30 June 2020 and 2021.

Moore Australia Audit (WA) issued unmodified opinions on the financial statements for the periods noted above, however they did include an emphasis of matter in respect of each report with respect to the ability of the Company to continue to operate as a going concern and the 30 June 2020 audit report contained an emphasis of matter that they did not express an opinion on the 2019 comparative financial information as the previous auditor had disclaimed their opinion.

The Historical Statement of Profit or Loss and other comprehensive income of Ark Mines for the years ended 30 June 2020 and 2021 are included at section 9.4(a) of the Prospectus and are presented without adjustment.

The Historical Statement of Cash flows of Ark Mines for the years ended 30 June 2020 and 2021 are included at section 9.4(b) of the Prospectus and are presented without adjustment.

The Historical Statement of Financial Position as at 30 June 2021 of the Company is included in section 9.4 (c) of the Prospectus and is included without adjustment.

Pro Forma Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Pro Forma Historical Statement of Financial Position of Ark Mines as at 30 June 2021 adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 9.5 (b) of the Prospectus, as if those events and transactions occurred as at 30 June 2021.

which is collectively termed the “Pro Forma Historical Financial Information”.

The Pro Forma Historical Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 30 June 2021, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in Section 9.5 (a) as if those events and transactions occurred as at 30 June 2021. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Ark Mines’s future financial position.

3. Scope of Review

Directors’ Responsibilities

The Directors of Ark Mines are responsible for the preparation and presentation of the Historical and Pro Forma Historical financial information, including the determination of the Pro Forma transactions. The Directors are also responsible for the Information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the Prospectus that is free from material misstatement whether due to fraud or error.

Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Historical Financial Information, nor have we, in the course of this engagement, performed an audit of the financial

Our Responsibilities (continued)

Information used in compiling the Pro Forma Historical Financial Information, or the Pro Forma Historical Financial Information itself.

The purpose of the compilation of the Pro Forma Historical Financial Information is solely to illustrate the impact of the proposed Capital Raising, related transactions and accounting policies on unadjusted financial information of the Company as if the event or application of accounting policies had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising, related transactions and accounting policies would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited financial statements of Ark Mines, including a review of the auditor's work papers and making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Historical Financial Information; and
- enquiry of Directors, management and advisors of Ark Mines.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware of any matters that indicate the Historical and Pro Forma Historical Financial Information, set out in section 9 of the Prospectus, does not present fairly, in all material respects, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 30 June 2021, the pro forma financial position as at 30 June 2021, and of its financial results and cash flows for the years ended 30 June 2020 and 2021.

4. Conclusions

Based on our review, which is not an audit:

- Nothing has come to our attention which causes us to believe that the Historical Statements of Profit or Loss and other comprehensive income of Ark Mines for the years ended 30 June 2020 and 2021, as set out in section 9.4 (a) of the Prospectus, do not present fairly the results of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Statements of Cash Flows of Ark Mines for the years ended 30 June 2020 and 2021, as set out in section 9.4 b) of the Prospectus, do not present fairly the cash flows of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.

- Nothing has come to our attention which causes us to believe that the Historical Statement of Financial Position of the Company, as set out in section 9.4 (c) of the Prospectus, does not present fairly the assets and liabilities of the Company as at 30 June 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Pro Forma Historical Statement of Financial Position of the Company, as set out in section 9.5 (b) of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 30 June 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 9.5 (a) of the Prospectus.

Emphasis of Matter – Uncertainty relating to going concern

In forming our conclusions on the financial information, which is not modified, we have considered the adequacy of the disclosure as set out in Note 9.8(x) of the financial information at section 9.8 of the Prospectus, concerning the Company's ability to continue as a going concern. As disclosed in Note 9.8 (x) at section 9.8 of the Prospectus, the Company is dependent on various funding initiatives in order to fund working capital and discharge its liabilities in the ordinary course of business. The financial information does not include any adjustments that may be required if the Company was unable to continue as a going concern. In our opinion, based on the Company's proposed use of funds and business plans as set out in the Prospectus, completion of the proposed minimum Capital Raising pursuant to the Prospectus is expected to be sufficient to enable the Company to continue operating as a going concern.

5. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Australia Audit (WA), an audit practice owned by the same persons who own Moore Australia Corporate Finance (WA) Pty Ltd, is the auditor of the Company.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Australia Corporate Finance (WA) Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



Neil Pace
Director

Moore Australia Corporate Finance (WA) Pty Ltd

MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD**Australian Financial Services Licence No. 240773****FINANCIAL SERVICES GUIDE**

This Financial Services Guide is issued in relation to our Investigating Accountants Report for Ark Mines Limited ("Ark Mines"). Our report has been prepared at the request of the Directors of Ark Mines for inclusion in the Prospectus to be dated on or about 23 September 2021 in respect of the public offering of fully paid ordinary shares in Ark Mines and reinstatement of listing of Ark Mines on the Australian Securities Exchange.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of Ark Mines to prepare an Investigating Accountants Report in respect of the initial public offering of fully paid ordinary shares in Ark Mines and re-listing of Ark Mines on the Australian Securities Exchange.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$10,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered, Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Moore Australia Audit (WA), a related entity to MACF, currently provides audit services to Ark Mines.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

Independent Geologist Report
Prepared for
Ark Mines Ltd

Report Prepared by

MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS

September 2021

Minnelex

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07-33742443

17 September 2021

Independent Geologist

Robert Pyper

BSc. FAusIMM, Cert Functional Mgt. GAICD

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1. EXECUTIVE SUMMARY

Minnelex Pty Ltd ("Minnelex") was requested by Ark Mines Limited ("Ark Mines" or "Company") to prepare an Independent Geologist Report ("IGR" or "Report"). The IGR is to be included in the Ark public offer prospectus to be lodged by the Company ("Prospectus").

The funds raised will be used for the exploration and evaluation of the Project areas in Queensland and other purposes detailed in the Prospectus. This IGR details three principal project areas, (together the projects):

- **Mt Jesse:** comprising of one granted exploration tenement (pending renewal), one Iron Copper lease being acquired by Ark Mines through it's acquisition of Bmax Holdings Pty Limited, the parent company of Mt. Jesse Pty Ltd;
- **Gunnawarra:** comprising a granted exploration tenement to be acquired by Ark Mines through it's acquisition of Bmax Holdings Pty Limited, the parent company of Gunnawarra Pty Ltd;
- **Pluton:** comprising of one granted exploration tenement to be acquired by Ark Mines through it's acquisition of Bmax Holdings Pty Limited, the parent company of Pluton Pty Ltd

The Report is complete up to 17th of September 2021. A draft of the technical component of the Report was provided to Ark Mines, along with a written request to identify any material errors or omissions before lodgement

Permit	Project	Grant	Expiry	Area (ha)	Area (km ²)
EPM26464	Mt Jesse	6/10/2019	6/10/2021	1,240	12.4
EPM26560	Gunnawarra	24/11/2019	24/11/2021	3,410	34.1
EPM26883	Pluton	8/3/2021	8/3/2023	1,860	18.6
Total				6,510	65.1

Mt Jesse project

- The Mount Jesse copper-gold project consists of one exploration permit (EPM 26464), which is located ~176km from Cairns in far-north Queensland.
- The project covers three exposed iron formation occurrences, the main one of these occurs as a layered deposit over fractured granodiorite. The iron formations are massive and

homogenous, composed of hematite and magnetite, with strong magnetism. Associated with the Iron is a copper carbonate occurrence (malachite and bornite), in fractured plains.

- The project is centred on a copper rich magnetite skarn which potentially is associated with porphyry style copper mineralisation within a granodiorite. The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the nearby Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.
- The Cardwell copper deposit, which was mined in the late 19th Century comprises small open cuts, two shafts and an adit. These provided access to a skarn style deposit rich in chalcopyrite and bornite with minor galena, sphalerite and silver ores. Work at the mine was relatively short lived, with closure of the mine in the early 20th century due to carriage costs and low metal prices.
- The Mt Cardwell Copper Deposit contains a 90m long magnetite–hematite copper-stained gossan averaging nine metres in width sited above the old workings. Copper has been observed on ground surface in stockwork fracturing and sheeted quartz veins within skarn altered metasediments and fractionated acidic intrusives, as well as on the iron rich gossan. Additional iron +/- copper gossan outcrop has been mapped for some 380m along strike to the west from the old workings.

Gunnawarra Project

The Gunnawarra Project consists of EPM 26560 located 30km south of Mt Garnet in Far North Queensland and is held by BMAX Holdings Pty Ltd. EPM 26560 was granted on 24th November 2017 for a period of two years and a renewal has been lodged. Since grant, exploration work has comprised of site visits, localised sampling (returning anomalous Platinum and Palladium confirming the potential Sulphide extension), assay work and desk top research, as set out below.

BMAX EPM 26560 Gunnawarra (GW)
Surface Sample highlights (July 2018) include;
GW105 - Cobalt - 4430ppm
GW101 - Nickel - 14,350ppm
GW87 - Copper - 2320ppm
GW87 - Scandium - 60ppm
GW107 - Chromite - 13,500ppm
GW105 - Manganese - 228,000ppm

The region has a long mining history predominantly nickel, cobalt, gold, tin and zinc and is part of the Greenvale Nickel Province which produced some \$7 billion of nickel and cobalt between 1974 and

1992. Mining is still active in the area with Consolidated Tin holding the Surveyor Mine near Mt Garnet. (Mining suspended at present)

With the demand for electric vehicles increasing and the need for improved batteries, the ability to secure supply of both Cobalt and Nickel will be paramount in the future. Electrical vehicle sales are predicted to account for 30% of all new vehicle sales by 2025. Nickel and Cobalt account for the majority of the metals used in the manufacture of lithium-ion batteries and sufficient future supply is likely to be challenging.

Significantly EPM 26560 forms the centre, and is adjacent to, Australian Mines’ Sconi Cobalt Project at Bell Creek, now at more advanced stage of development with feasibility studies being finalised and currently the most advanced Cobalt-Nickel – Scandium Project in Australia. BMAX Holdings’ Gunnawarra Project therefore holds a strategic position.

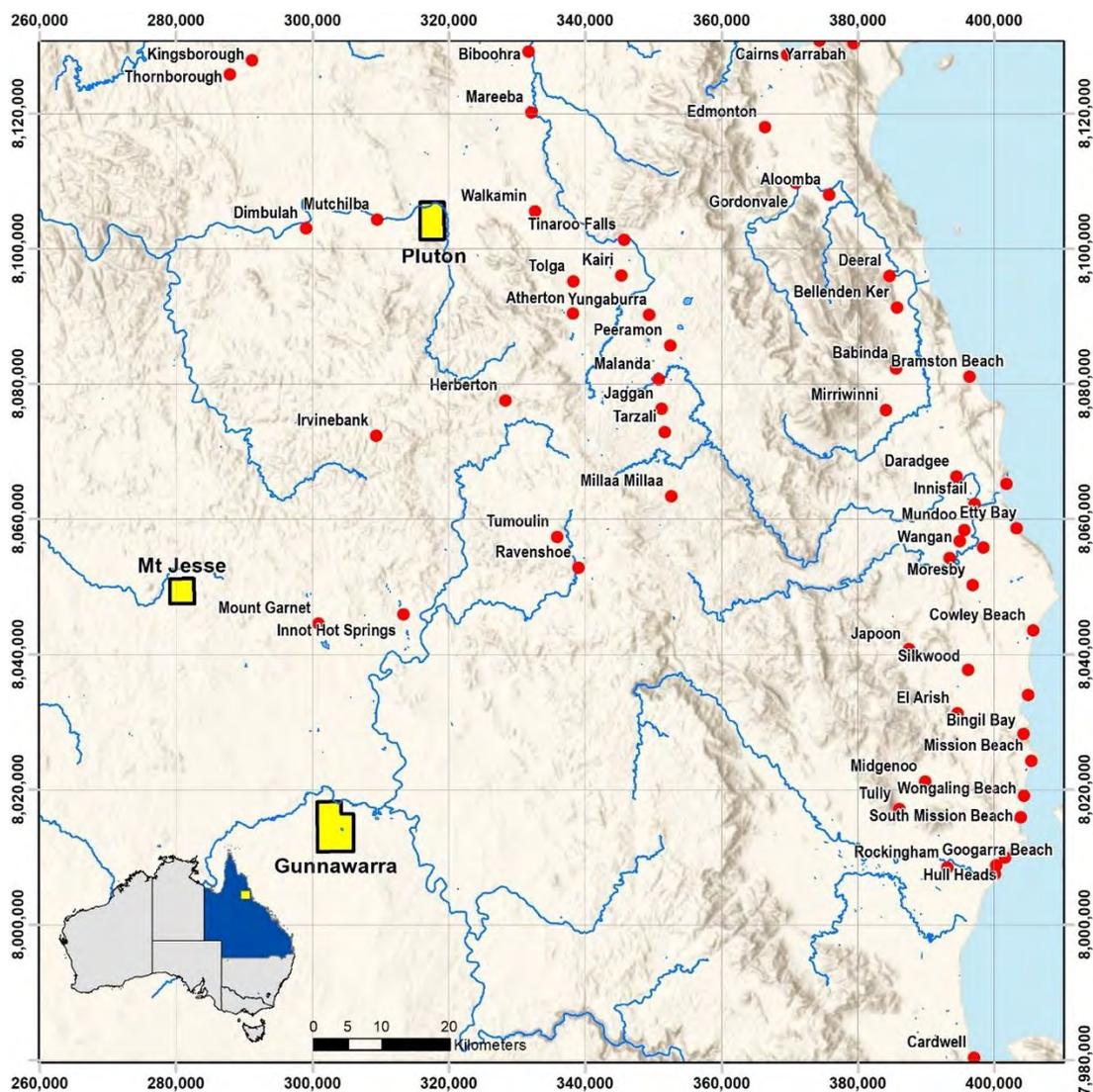


Figure 1 EPM location map, - Pluton, Mt Jesse and Gunnawarra

Pluton Project

- EPM 26883 the Pluton Gold Project (Strezziars)

- Identified gold target with other by-product credits [Ag, Cu, Mo] based on geological signature of nearby mines).
- Regional scale interpretation with some ground mapping and sampling undertaken.
- Initial field inspection has located a porphyry outcrop, which, at nearby projects has been a key factor in ore body formation.
- Surface rock chip sampling of breccia, quartz veins and quartz porphyry taken reported high grade gold values of up to 9.94 g/t from the Pluton Prospect
- PLRC05 – Drilling returned 48 metre intersection averaging 0.26g/t of Au including 3 metres at 0.86g/t, also of interest Cu at 1025ppm, Pb at 1055ppm and ZN with 33 metres at 1171ppm including 3 metres at 1785ppm.

Summary

Minnelex concludes that the Ark Mines portfolio of projects presents exposure to an attractive range of grassroots exploration opportunities with the potential to take to development and production. Further exploration and evaluation work is warranted on each of the Projects.

Ark Mines' proposed exploration programme consists of exploration and drilling & resource evaluation phases. Minnelex considers Ark Mines' exploration strategy to be justified and appropriate. A summary of the proposed exploration expenditure is shown in the table 1.

Table 1 Ark proposed Exploration Budget

Funds available	Minimum Subscription (\$'000)			Maximum Subscription (\$'000)			
Existing cash reserves (Inc. pre-IPO raise)	150			150			
Funds raised from the offer	4,500			5,000			
Allocation of Funds							
Cost of the offer	450			450			
	Year 1		Year 2		Year 1		Year 2
Exploration at the Gunnawarra project: geophysics acquisition & interpretation, drilling & assays	350		550	Exploration at the Gunnawarra project: geophysics acquisition & interpretation, drilling & assays	400		600
Ground Magnetics	60			Ground Magnetics	60		
Detailed mapping, +/-sampling	35			Detailed mapping, +/-sampling	35		
Desktop Drill design and target generation	15	Desktop Drill design and target generation	15	Desktop Drill design and target generation	15	Desktop Drill design and target generation	15
RC Drilling 2000m Av 30m angled	160	RC Drilling 4000m Av 30m angled	320	RC Drilling 2100m Av 30m angled	200	RC Drilling 4100m Av 30m angled	350
Assays	40	Assays	80	Assays	50	Assays	100
data entry	15	data entry	15	data entry	15	data entry	15
Logistics	25	Logistics	50	Logistics	25	Logistics	50
		Resource work	70			Resource work	70
Exploration at the Mount Jesse project: geophysics acquisition & interpretation, drilling & assays	325		475	Exploration at the Mount Jesse project: geophysics acquisition & interpretation, drilling & assays	350		525
Ground Magnetics	40			Ground Magnetics	50		
Detailed mapping, +/-sampling	30			Detailed mapping, +/-sampling	30		
Desktop Drill design and target generation	15	Desktop Drill design and target generation	15	Desktop Drill design and target generation	25	Desktop Drill design and target generation	15
RC Drilling 2000m Av 30m angled	160	RC Drilling 4000m Av 40m angled	320	RC Drilling 2000m Av 30m angled	160	RC Drilling 3800m Av 40m angled	310
Assays	40	Assays	80	Assays	40	Assays	65
data entry	15	data entry	15	data entry	15	data entry	15
Logistics	25	Logistics	50	Logistics	30	Logistics	50
		Resource work	70			Resource work	70
Exploration at the Pluton project: geophysics acquisition & interpretation, drilling & assays	175		225		200		275
Detailed mapping, +/-sampling	25	Detailed mapping, +/-sampling	25	Detailed mapping, +/-sampling	25	Detailed mapping, +/-sampling	25
Desktop Drill design and target generation	10	Desktop Drill design and target generation	10	Desktop Drill design and target generation	10	Desktop Drill design and target generation	15
RC Drilling 1300m	80	RC Drilling 1500m	110	RC Drilling 1450m	100	RC Drilling 1700m	135
Assays	25	Assays	35	Assays	30	Assays	40
data entry	10	data entry	10	data entry	10	data entry	10
Logistics	25	Logistics	35	Logistics	25	Logistics	50
New project assessment/review	125		125		150		150
General administration costs	400		400		425		450
Surplus working capital	1,050			1,145			

The proposed budget allocations are considered consistent with the exploration potential of each project and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the Tenements.

The Independent Geologist's Report has been prepared on information available up to and including 17th September 2021, and Minnelex is not aware of any material change to the Company's mineral interests since that date.

2. INTRODUCTION

Minnelex Pty Ltd ("Minnelex") was requested by Ark Mines Limited ("Ark Mines" or "Company") to prepare an Independent Geologist Report ("IGR" or "Report"). The IGR is to be included in the Ark Prospectus dated on or about 27 September 2021.

The funds raised will be used for the exploration and evaluation of the Project areas in Queensland and other purposes detailed in the Prospectus. This IGR details four principal project areas:

- **Mt Jesse:** comprising of one granted exploration tenement (pending renewal).
- **Gunnawarra:** comprising a granted exploration tenement;
- **Pluton:** comprising of one granted exploration tenement; (together the "Projects").

The Report is complete up to 17th September 2021. A draft of the technical component of the report was provided to Ark Mines, along with a written request to identify any material errors or omissions before lodgement.

3. SCOPE

The purpose of this Report is to provide an independent assessment of the geology and technical risks associated with the Ark Mines mineral assets and to assess the suitability of the proposed exploration and development programs.

This report presents the following key technical information on the date of this Report:

- An overview of the geological setting of mineral assets and the associated mineralisation;
- Outline of the historical and recent exploration work undertaken;
- Exploration results including mineral resource reported in accordance with the terms and definitions of the JORC Code (2012);
- Independent geologist opinion on the exploration and development potential of the project;
- Summary of the key geological risks and opportunities; and
- Independent geologist opinion on the appropriateness of the budgeted work programs.

4. INFORMATION SOURCE OF THIS REPORT

Ark has made available their data for the compilation of this report. Minnelex has supplemented this information, where necessary, with information from its own geological databases or information available within the public domain. The principal sources of information are included in a reference list at the end of the report. The report includes information available up to the date of this report. Ark has stated that all information provided may be presented in the report and that none of the information is regarded as being confidential. Minnelex has based its review of the projects on the information made available to the author by Ark Mines, along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and

unpublished data. Minnelex has also relied upon discussions with Ark Mines' management for the information contained within this assessment. This Report has been based upon information available up to and including the 17th of September 2021.

Minnelex has made best efforts, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this Report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation have been provided by Ark Mines in the form of documentation.

Ark Mines was provided with a final draft of this Report and requested to identify any material errors or omissions before its lodgement.

Descriptions of the mineral tenure, tenure agreements, encumbrances and environmental liabilities were provided to Minnelex by Ark Mines or its technical consultants. Ark Mines has warranted to Minnelex that the information provided for preparation of this Report correctly represents all material information relevant to the Project. Full details on the tenement status is provided elsewhere in the Prospectus

5. COMPLIANCE WITH JORC AND VALMIN CODE

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (“VALMIN”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (“JORC”).

6. LEGAL MATTERS

Minnelex notes that it is not qualified to make legal representations with regards to the ownership and legal standing of the Mineral Assets that are the subject of this report. Minnelex has not attempted to confirm the legal status of the tenements with respect to acquisition or, native title, local heritage or potential environmental or land access restrictions. Minnelex has relied on information provided by Ark. Minnelex has prepared this report on the understanding that all the tenements of Ark are currently in good standing or pending and that there is no cause to question the eventual granting of any tenement applications.

7. SITE VISIT

Minnelex did not consider that a site visit was warranted as it was considered that a site visit would not reveal information or data material to the outcome of this Report due to the early nature of the projects. The Independent Geologist is satisfied that there is sufficient current information available to allow an informed evaluation to be made without an inspection.

8. TENEMENT STATUS VERIFICATION

Minnelex has not independently verified the status of the tenements that are referred to in this report as set out in the Tenement Schedule in this report, which is a matter for independent tenement experts.

Details of the legal ownership of the mineral assets are dealt with in the Solicitor's Report within the Prospectus.

9. INDEPENDANCE

This Report was commissioned by Ark Mines on a fee-for-service basis according to Minnelex' schedule of rates depending on the consultant's skills and experience. Minnelex' fee is not contingent on the outcome of the initial public offer to be conducted by Ark Mines.

The Independent Geologist has no beneficial interest in the mineral assets reviewed. Neither Minnelex' nor the authors of this Report have or has had previously any material interest in Ark Mines or the mineral properties in which Ark Mines has an interest. Further, neither Minnelex' nor the authors of this Report have previously reviewed these mineral assets.

Minnelex' relationship with Ark Mines is solely one of professional association between a client and an independent consultant.

10. DISCLAIMER AND WARRANTY

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 17th September 2021 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

This Report was commissioned by Ark Mines on a fee-for-service basis on the prescribed schedule of rates. Minnelex' fee is not contingent on the outcome of its statement or the success or failure for the purpose for which the Report was prepared.

A draft section of the Report containing the technical and project description was provided to Ark Mines for comment in respect of omissions and factual accuracy. As recommended in Section 39 of the VALMIN Code, Ark Mines has provided Minnelex with an indemnity under which Minnelex' is to be compensated for any liability and/or any additional work or expenditure, which:

- results from Minnelex' reliance on information provided by Ark Mines and/or independent consultants that are materially inaccurate or incomplete; or
- relates to any consequential extension of workload through queries, questions or public hearings arising from this Report.
- The conclusions expressed in this Report are appropriate as of 17th September 2021. The Report is only appropriate for this date and may change in time in response to variations in economic, market, legal or political factors, in addition to ongoing exploration results. Minnelex is not liable to update the Report upon a change to any of the above-mentioned factors or exploration results.

11. CONSULTING FEES

Minnelex estimated fee for completing this report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, Minnelex knowledge of the assets and availability of data. The fee payable to Minnelex for this engagement exclusive of expenses is estimated at approximately A\$15,500. The payment of this professional fee is not contingent upon the outcome of the Prospectus.

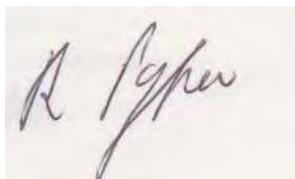
12. COMPETENT PERSON STATEMENT

The information in this Report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Robert Pyper BSc. Cert Functional Mgt. GAICD, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Pyper is an employee of Minnelex. Mr Pyper has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

13. CONSENT

Minnelex has given and has not withdrawn its written consent for the report to be used in a proposal to shareholders to acquire the Mineral Assets, including publication on Ark's company website and to the inclusion of statements made by Ark and to the references of its name in other documents pertaining to Ark's proposal. Minnelex provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this report be considered with, and not independently of, the information set out in the complete report and the Cover Letter.

Minnelex confirms that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the report is in accordance with the facts and does not omit anything likely to affect the import of such information.

A handwritten signature in black ink, appearing to read 'R. Pyper', is shown on a light-colored background.

Mr Robert Pyper

BSc. FAusIMM, Cert Functional Mgt. GAICD

Minnelex

14. GLOSSARY AND LIST OF ABBEVIATIONS

Table 2 Glossary of Terms

Term	Meaning
Ag	Chemical symbol for silver
AIG	Australia Institute of Geoscientists
ASL	Above sea level
As	Chemical symbol for arsenic
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Au	gold
Breccia	Fragmented rock
Calc-alkaline	A group of igneous rocks, common in volcanic arcs, high in calcium and potassium
Chalcocite	A copper-sulphide mineral (Cu ₂ S)
Chalcopyrite	A copper-iron-sulphide mineral (CuFeS ₂)
Chert	A sedimentary rock composed of microcrystalline or cryptocrystalline quartz
Co	Chemical Symbol for cobalt
conglomerate	a coarse-grained clastic sedimentary rock that is composed of rounded to sub- angular clasts
Cu	Chemical symbol for copper
Devonian	A period of geological time from 419.2 Ma to 358.9 Ma
Diamond Drill (DD)	diamond core drilling
Dyke	A narrow tabular intrusive rock body
Epithermal	Warm ground waters at shallow depth (<2 km) under conditions in the lower ranges of temperature and pressure
Fe	chemical Symbol for Iron
Fault	A fracture in earth materials, along which the opposite sides has been displaced parallel to the plane of the movement
Felsic	A group of minerals including feldspar, feldspathoids, quartz, and muscovite
g/t	grams per tonne
Geophysics	The study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
Granite	An acid intrusive rock
Gossan	an iron coating secondary deposit, largely consisting of oxides and typically yellowish or reddish, occurring above a deposit of a metallic ore
Granodiorite	A type of granitic rock with abundant feldspar
Hydrothermal breccia	A breccia formed by explosion of superheated water migrating from depth to the surface
Hydrothermal Fluid	Upward flowing fluids originating from igneous or metamorphic geological events
Induced Polarisation (IP) survey	Geophysical survey method to measure the electrical property of rocks in the Earth
Intrusive	An igneous rock formed entirely within the Earth's crust
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
K	Chemical symbol for potassium
km	kilometre
Limestone	A sedimentary rock composed mainly of skeletal fragments of marine organisms

Term	Meaning
m	metre
m ASL	Metres above sea level
Ma	Million years
Magnetite	A mineral of iron oxide, Fe ₃ O ₄ , that often occurs with magnesium, zinc, and manganese and is an important ore of iron
Metamorphic rock	A rock altered by temperature and pressure within the earth
Mineral Resource	A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there is reasonable prospect for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
Mineralisation	Geological occurrence of mineral of potential economic interest
Mo	Chemical symbol for Molybdenum
Mt	million tonnes
Na	Chemical symbol for sodium
Ni	Chemical Symbol for Nickel
Oxidation	Process of change in the rock mineral assemblage due to the action of surface- derived groundwater and air
Pb	Chemical symbol for lead
Phyric	A rock containing coarse crystals (phenocrysts) identifiable with the naked eye
ppb	parts per billion
ppm	parts per million
Porphyry	An intermediate or acid igneous rock of fine-grained size, with some larger crystals, usually feldspar, scattered in the finer-grained groundmass
Potassic	Chemical alteration of a rock by hydrothermal and other fluids which results in the formation of potassium minerals
Pyrite	A mineral of iron sulphide (FeS ₂)
QA/QC	The combination of quality assurance, the process or set of processes used to measure and assure the quality of a product, and quality control, the process of ensuring products and services meet consumer expectations
Quartz	A silicon mineral SiO ₂
Quartz-vein	Planar occurrences of quartz infilling fractures in the rock at a late stage of metamorphic activity and formed from hydrothermal fluid deposition
RC	Reverse circulation drilling process
Sample	The removal of a small amount of rock pertaining to the deposit, which is used to estimate the grade of the deposit and other geological parameters.
Sandstone	A clastic sedimentary rock composed mainly of sand-sized mineral particles or rock fragments
Schist	A medium-grade metamorphic rock with grains in a preferred orientation. It is defined by having more than 50% platy and elongated minerals
Sedimentary	Rock formed at or near the surface by accumulation of detrital rock or precipitated from solution at atmospheric temperature and pressure
Sericite	A mineral composed of fine-grained white mica
Shale	A fine-grained sedimentary rock composed of mud that is a mix of flakes of clay minerals and silt-sized particles
Shear zone	Structural deformation of rock by shearing stress under brittle-ductile or ductile conditions at depths in high pressure metamorphic zones
Silicified	A rock altered by addition of quartz
Sill	A narrow tabular intrusive rock body that is parallel to primary foliation (bedding)

Term	Meaning
Siltstone	A fine-grained granular sedimentary rock
Skarn	Metamorphic rocks that form by the combined processes of heating from nearby intrusions and hydrothermal alteration created by the same intrusions
Tenement / Concession	A general term for a Prospective, Exploration and/or Mining Lease.
Tertiary	A period of geological time (1.5 million years ago to 65.5 million years ago)
tpa	tonnes per annum
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Volcanic	Formed by or associated with a volcano
Zn	Chemical symbol for zinc

15. OVERVIEW OF ARK MINES AND ITS ASSETS

a. Introduction to Ark

Ark Mines Limited (“Ark Mines” or “the Company”) is a listed mineral exploration company incorporated with its headquarters in Brisbane. Ark Mines is currently planning to build a diverse portfolio of Iron Nickel Cobalt, and Gold exploration projects in Queensland (Qld)

b. Company Strategy

After re listing on the ASX, the Company will embark on an evaluation and exploration program of the exploration projects. Ark Mines' initial exploration focus is directed predominately towards Ni, Co, Fe and Au in the established mineral districts of Mt Garnet Queensland. The three exploration assets are:

- Mt Jesse (Qld);
- Gunnawarra (Qld) and
- Pluton (Qld)

Ark Mines plans to increase shareholder value by spending up to approximately A\$2.7 million from the funds raised under the Prospectus on an intensive exploration program over the two years following listing. The Company has identified several targets on which it will commence immediate work following listing. During the first 12 months, the Company will use the exploration data collected to identify and rank the development priorities for the Company and build on previous drilling at Mt Jesse and Gunnawarra to move the projects to a resource. Subsequently, Company plans to conduct scoping and feasibility studies for the Mt Jesse and Gunnawarra Projects respectively. Also, the Company will continually assess strategic corporate opportunities that may have the potential to create additional value for all Shareholders.

c. Tenure

Table 3 Table of tenement tenure

Permit	Project	Grant	Expiry	Area (ha)	Area (km2)
EPM26464	Mt Jesse	6/10/2019	6/10/2021	1,240	12.4
EPM26560	Gunnawarra	24/11/2019	24/11/2021	3,410	34.1
EPM26883	Pluton	8/3/2021	8/3/2023	1,860	18.6
Total				6,510	65.1

d. Jesse Project



Figure 2 Iron knob at Mt Jesse

i. Introduction

The Mount Jesse Iron with Copper project consists of one exploration permit (EPM 26464), which is located ~176km from Cairns in far-north Queensland (**Figure 2**).

The project covers three exposed iron formation occurrences, the main one of these occurs layered over fractured granodiorite. The iron formations are massive and homogenous, composed of hematite and magnetite, with strong magnetism. Associated with the Iron is a copper carbonate occurrence (malachite and bornite), in fractured plains.

The project is centered on a copper rich magnetite skarn which potentially is associated with porphyry style mineralisation within a granodiorite. The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the nearby Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.

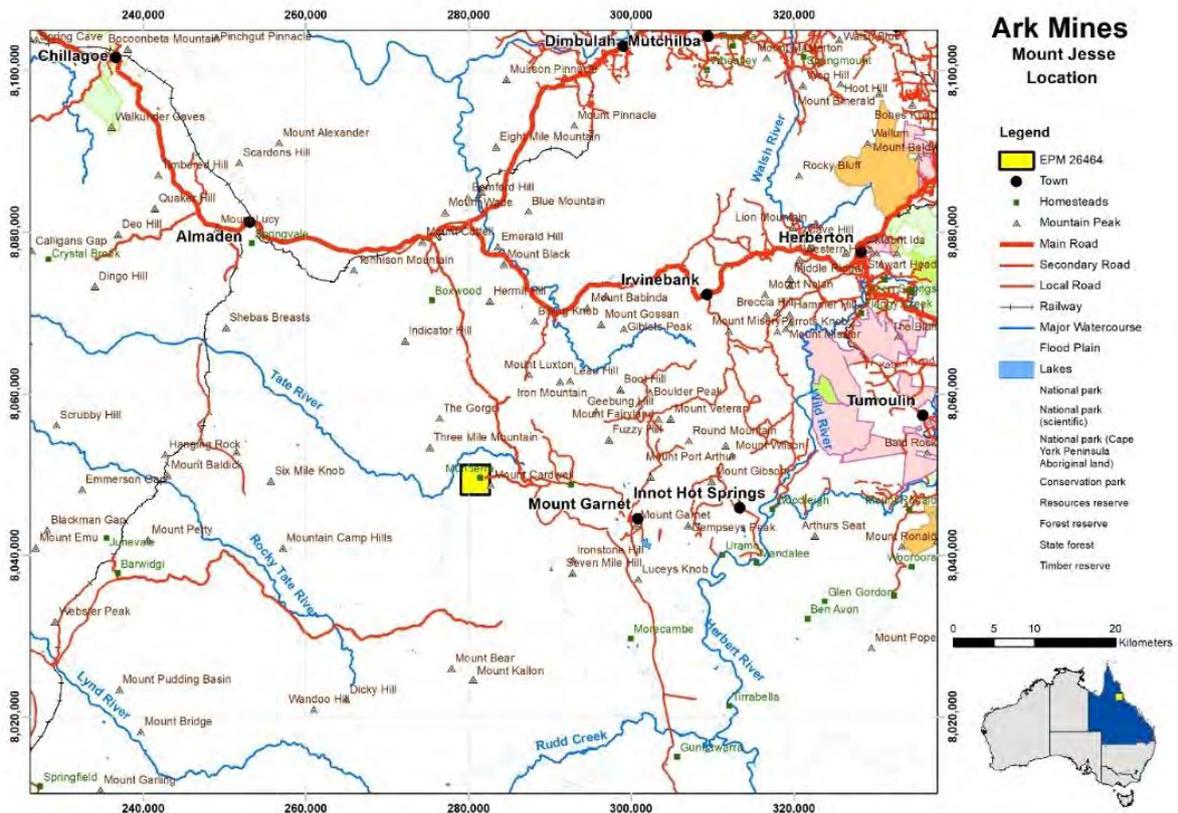


Figure 3 Mt Jesse location

ii. **Regional Geology**

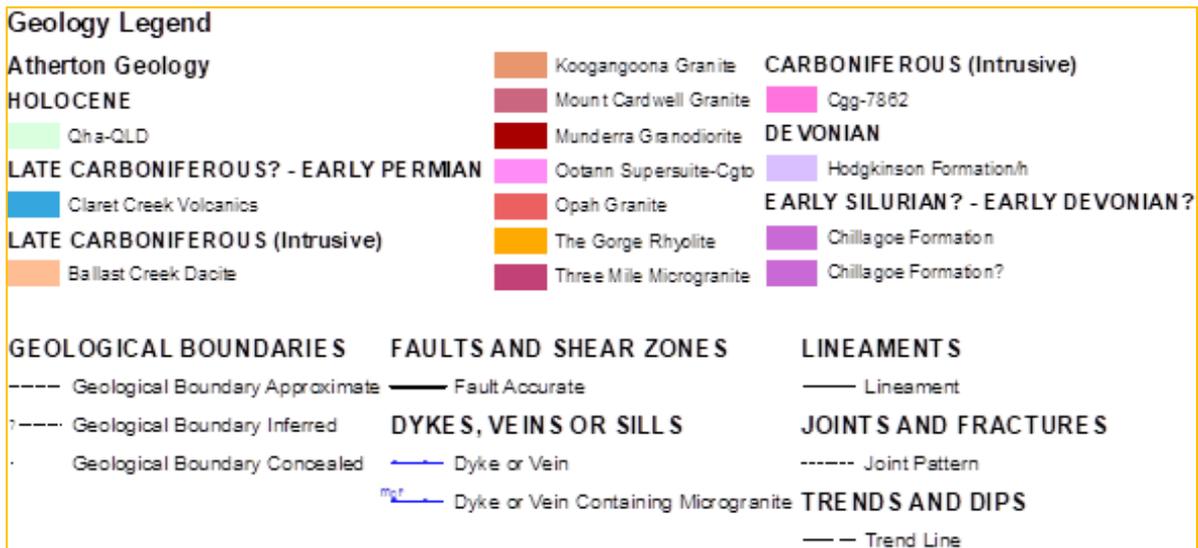
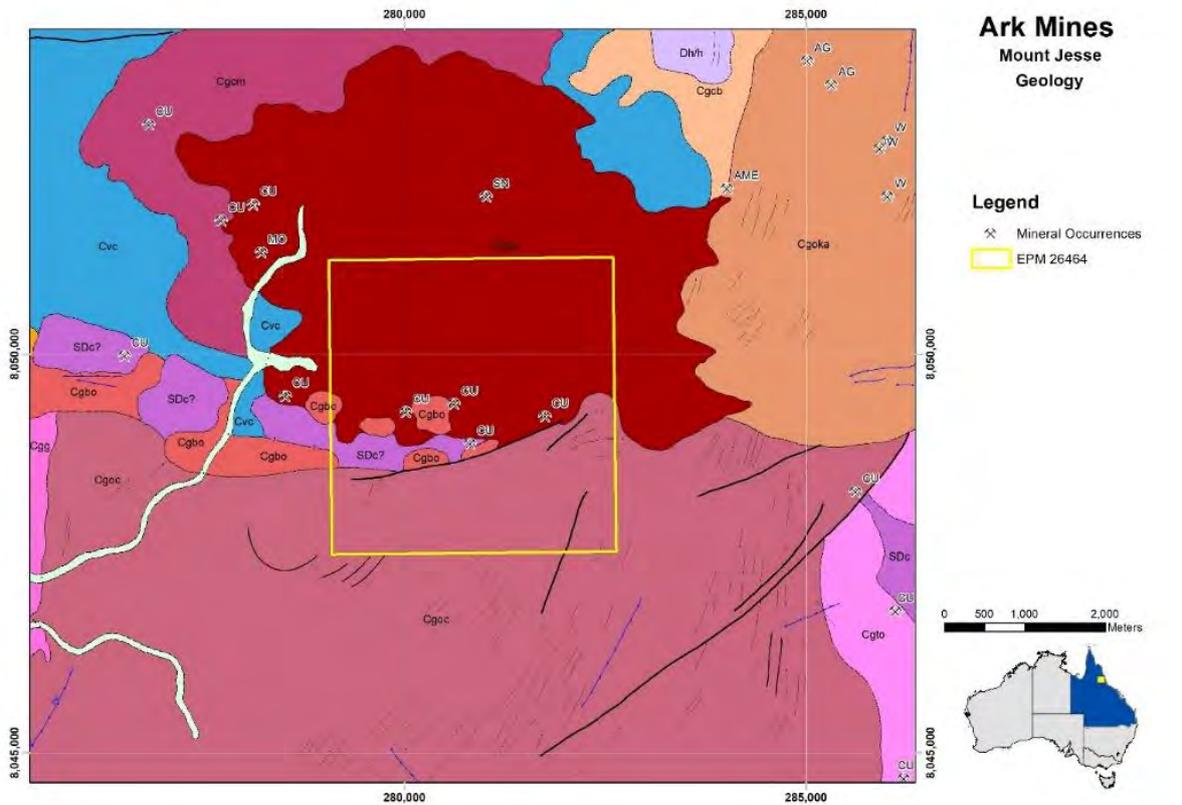


Figure 4 Geological map surrounding Mt Jesse

iii. Local Geology

The local geology is centred on the “Claret Creek ring Structure” which caps the permo – Carboniferous granite which underlies the Jesse project. The ring structures are surrounded by younger late carboniferous granites. (Figure 4).

Slivers of Silurian sediments are representative of the remnant country rock, make up a minor portion of the exposed outcrop, the majority of the project is masked by quaternary cover. Hydrothermal fluids have reacted with Silurian limestone / limey sediments to produce magnetite skarn +/- base metal deposits in a number of localities (e.g. Mt Cardwell workings & Jean Prospect).

iv. Mineralisation

The mineralisation encountered at Jesse consists of iron and copper and occurs in the Chillagoe formation as seen at Mt Lucy and Mt Paddy. The mineralisation is hosted in a skarn deposit with an intrusive granite intruding a sedimentary body (Chillagoe formation) and causing contact metamorphism and depositing iron and in places copper where conditions/ lithology are favourable.

The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.

Lam et al 1988 lists the Mount Cardwell mine (the main area of mineralisation at Jesse) as producing 1500t of skarn ore at 1% Cu and 10g/t Ag from 1904 to 1908. Company report 64480 by Intermet lists the ore minerals for Mount Cardwell as chalcopyrite and bornite with minor galena, sphalerite and silver ores.

The mineralisation at the Mount Cardwell mine is constrained by granite which is visible on all sides of the small hill. Several other small lenses of mineralisation can be seen to the west of Mount Cardwell where the Chillagoe formation has not been eroded or completely destroyed by the granite intrusives. There is a strong correlation between the copper and the iron mineralisation, however, they do not always occur together and it is likely that the copper is only seen in zones that endured higher temperatures.

Multiple pits (of various sizes and depths), diggings and workings exist on the EPM. The pits and workings west of the Mount Cardwell mine would have most likely been searching for further zones of copper enrichment within the Chillagoe formation. The Chillagoe formation can be seen further to the west of the Mount Cardwell mineralisation however the mineralisation was found to dissipate on the surface after approximately 800m of non-continuous small poddy outcrops.

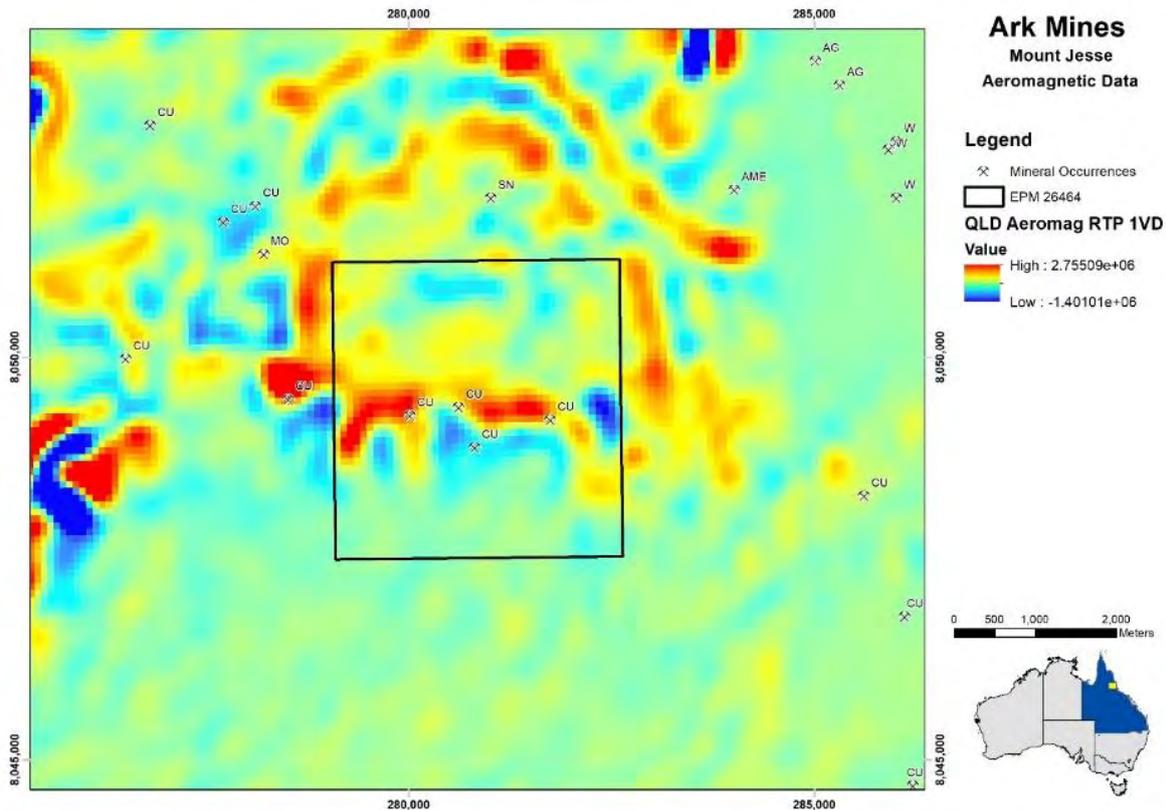


Figure 5 Aeromag Image showing a high over the Mt Jesse Iron exposure

v. Previous Exploration

The Cardwell copper deposit, which was mined in the late 19th Century comprises small open cuts, two shafts and an adit. These provided access to a skarn style deposit rich in chalcopyrite and bornite with minor galena, sphalerite and silver ores. Work at the mine was relatively short lived, with closure of the mine in the early 20th century due to carriage costs and low metal prices.

The Mt. Cardwell Copper Deposit contains a 90m long magnetite–hematite copper-stained gossan averaging nine metres in width sited above the old workings. Copper has been observed on ground surface in stockwork fracturing and sheeted quartz veins within skarn altered metasediments and fractionated acidic intrusives, as well as on the iron rich gossan. Additional iron +/- copper gossan outcrop has been mapped for some 380m along strike to the west from the old workings.

Historical soil and rock-chip sampling undertaken by InterMet Resources in 2007 encountered copper value up to 20.9%, with an anomalous copper zone identified over an area of 170m by 40m across the summit of a hill within the permit. Additionally, InterMet uncovered gold grades up to 3g/t.

InterMet carried out geophysical surveys at Mount Jesse (including ground-based magnetic and gravity surveys), which highlighted a north-east striking magnetic high which was used to target first pass drilling at the project. InterMet drilled 10 reverse circulation holes between 2008 and 2011, with drilling identifying areas of elevated iron ore (up to 22.65%) and copper (up to 2.11%).

Coincidentally circa 3.5 km to the South East of Mt Jesse, Tableland Mining Group are now in the final stages of a significant drill program targeting 8-9MT of iron ore. TMG plan to mine and produce a high-grade iron ore concentrate targeting 66-68% Fe grade.

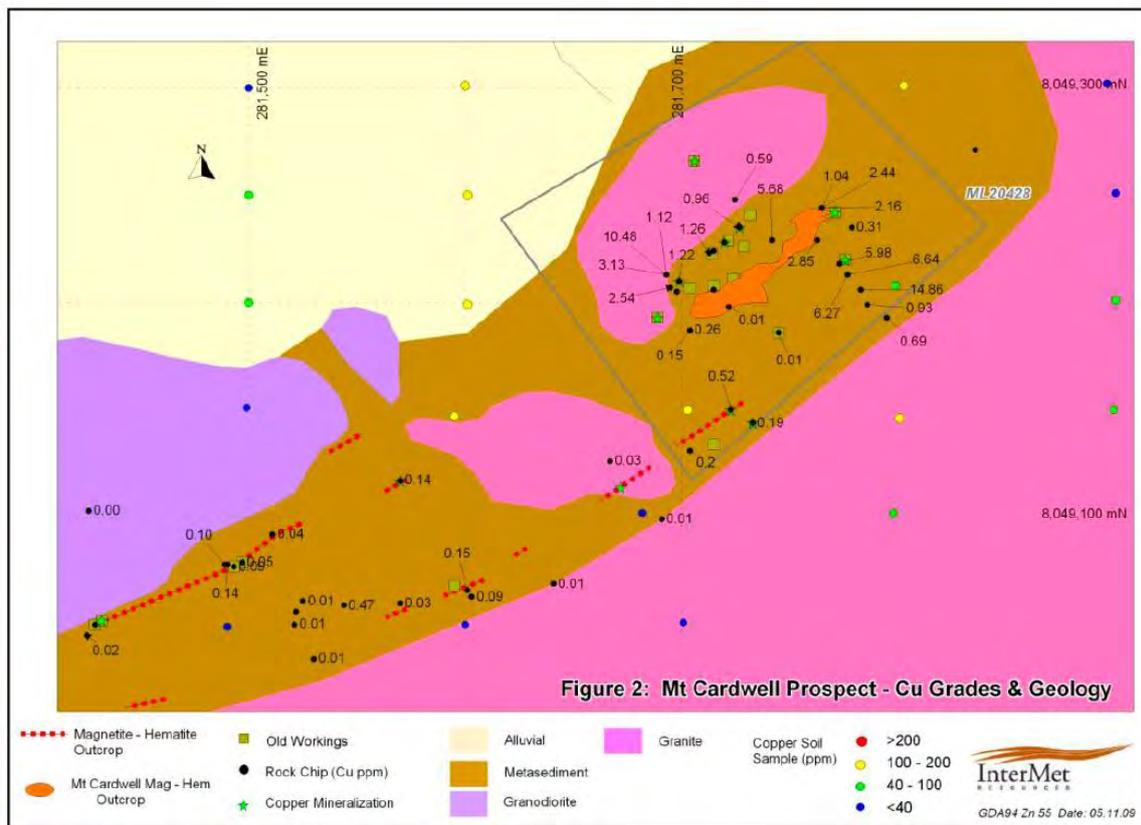


Figure 6 Geology and rock Chip sample locations at Mt Jesse

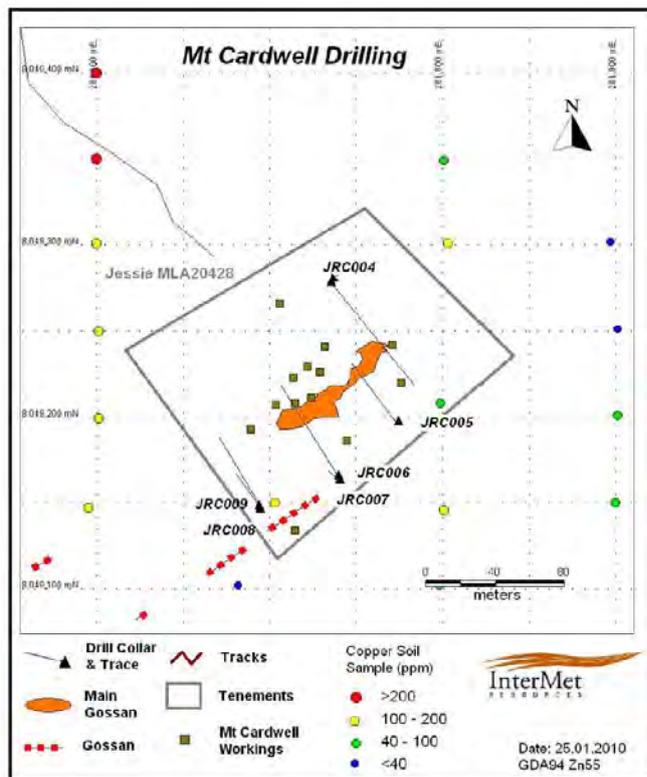


Figure 7 Drilling locations at Mt Jesse

vi. Exploration Potential

Mt Jesse has excellent upside potential given it has a exposed iron knobs clearly sitting within a magnetic high that runs under cover for some hundreds of meters. Further to this Mt Jesse sits 3.5km Northwest of the Tableland Mining Group Iron Ore project, which is being developed as a high grade Iron project with proposed production to commence imminently.

vii. Infrastructure

Location:

Mount Jesse EPM 26464 is located approximately 176km from Cairns (164km from Cairns to Mt Garnet and a further 12km from Mt Garnet to Cardwell Station).

Port:

Port Infrastructure in place with a purpose-built ship loader conveyor system.

Mount Jesse is situated approximately 120km from the Mourilyan Harbour (bulk shipping) just south of the North Queensland coastal town of Innisfail.

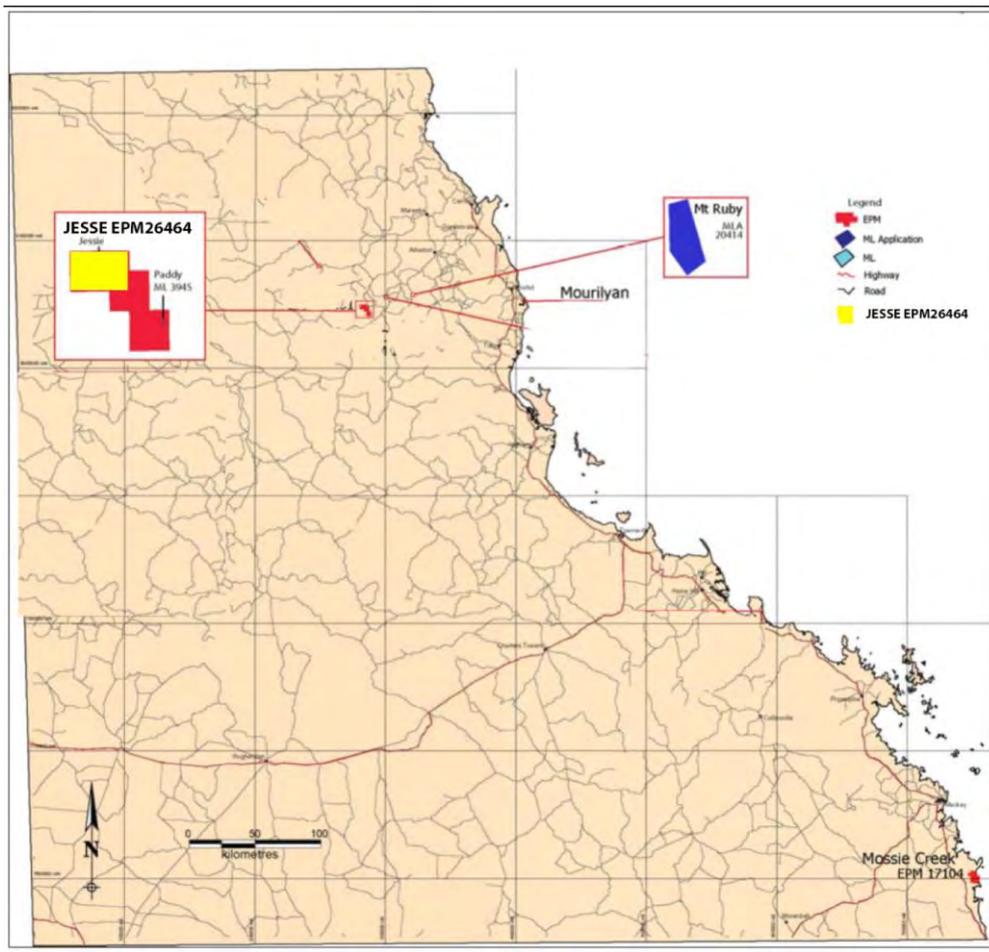


Figure 8 Location of Mt Jesse to Port facilities

e. **Gunnawarra Project**

i. **Introduction**

The Gunnawarra Project area is approximately 130km south-south-west of Cairns, 108km south-south-west of Mareeba and 214km north-west of Townsville, an approved Cobalt and Nickel export port. Access is readily available via the Kennedy Highway from Mareeba and thence via the Gunnawarra Road, a formed and graded council road. Gunnawarra Station has a rural airfield. Several tracks dissect the project area giving good vehicle access to most of the tenement. The project lies adjacent to and overlays tenements associated with Australian Mines Limited Sconi Cobalt-Nickel-Scandium project.

The climate of the area is sub-tropical, being warm and dry in winter and hot and wet in summer. Two thirds of the rainfall occurs between December and March. The mean annual rainfall recorded at Mt Garnet is 781mm. The average maximum daily temperature ranges from 21°C to 35°C. Vegetation across the Gunnawarra project areas is mapped as predominantly Category B Remnant vegetation with some areas of Category X Vegetation. Approximately 50% of the vegetation on site at EPM 26560 consists of RE 9.5.5a/9.5.6a considered least concern under the Vegetation Management Act, the remainder being a mix of Res 9.11.26a, 9.5.8, 9.8.4, 9.8.1 and 9.3.10a. Open woodland that is both sparse and mid-dense consisting of *Corymbia clarksoniana*, *Eucalyptus leptophleba*, *Eucalyptus portuensis*, *E. crebra* and *Corymbia citriodora*. At EPM 26599 the dominant vegetation consists of RE 9.11.5, sparse woodland of *Eucalyptus persistens*, and *E. crebra* with a sub canopy of *Carissa lanceolata* and *Acacia* spp. *Themeda triandra* (kangaroo grass) and *Heteropogon triticeus* (giant spear grass) are the main grass species.

The topography is generally gently undulating sitting between the 720m and 620m contours and forms part of a Tertiary laterite land surface. The land surface is in an advanced state of dissection with the laterite capping having been partially stripped off, revealing scattered low hills and small ranges of pre-tertiary rocks. The area contains a variety of physiographic features including hills, small ranges, mesas, plateaus and valleys.

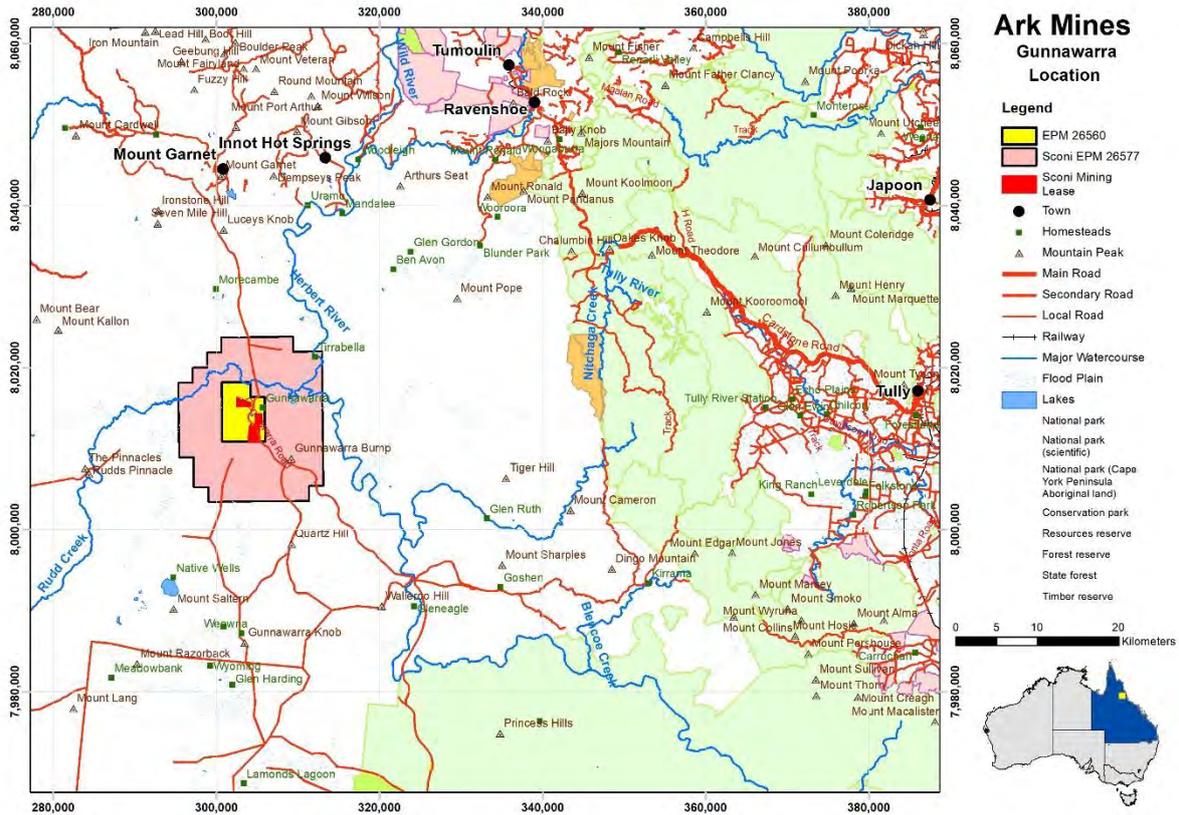


Figure 9 Location of Gunnewarra

The Gunnewarra Project covers prospective nickel and cobalt rich serpentinite within EPM 26560 located 30km south of Mt Garnet in Far North Queensland and is held by BMAX Holdings Pty Ltd. EPM 26560 was granted on 24th November 2017 for a period of two years and a renewal has been lodged. Since grant, exploration work has comprised of site visits, localised sampling (returning anomalous Platinum and Palladium confirming the potential Sulphide extension), assay work and desk top research.

<p>BMAX EPM 26560 Gunnewarra (GW)</p> <p>Surface Sample highlights (July 2018) include;</p> <p>GW105 - Cobalt - 4430ppm</p> <p>GW101 - Nickel - 14,350ppm</p> <p>GW87 - Copper - 2320ppm</p> <p>GW87 - Scandium - 60ppm</p> <p>GW107 - Chromite - 13,500ppm</p> <p>GW105 - Manganese - 228,000ppm</p>	
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The region has a long mining history predominantly nickel, cobalt, gold, tin and zinc and is part of the Greenvale Nickel Province which produced some \$7 billion of nickel and cobalt between 1974 and 1992. Mining is still active in the area with Consolidated Tin operating the Surveyor Mine near Mt Garnet.

With the demand for electric vehicles increasing and the need for improved batteries, the ability to secure supply of both Cobalt and Nickel will be paramount in the future. Electrical vehicle sales are predicted to account for 30% of all new vehicle sales by 2025. Nickel and Cobalt account for the majority of the metals used in the manufacture of lithium-ion batteries and sufficient future supply is likely to be challenging.

Significantly EPM 26560 forms the centre, and is adjacent to, Australian Mines' Sconi Cobalt Project at Bell Creek, now at more advanced stage of development with feasibility studies being finalised and currently the most advanced Cobalt-Nickel – Scandium Project in Australia. BMAX Holdings' Gunnawarra Project therefore holds a strategic position.

ii. Tenement

EPM 26560 comprises 11 sub-blocks covering 36km². The tenement sits within pastoral lands lease Gunnawarra Station and cattle grazing is the dominant land use. The underlying tenure has extinguished native title and is therefore 100% exclusive of Native Title.

iii. Regional Geology

The project lies in the eastern most part of the Georgetown inlier in the Greenvale sub province close to the Palmerville Fault Zone. Carboniferous to Upper Permian post tectonic granite emplacement and acid volcanism is associated with the major regional structural feature.

iv. Local Geology

Geology specific to site consists of these pre-Cambrian Halls Reward metamorphic rocks overlain by the Sandalwood Serpentinite (Proterozoic injections) and intruded by the Gunnawarra Bump Granite (pale pinkish, medium-grained porphyritic biotite monzogranite) in the late Carboniferous to early Permian. These rocks are buried by the Pleistocene vesicular to massive olivine "Depression" Basalt forming the northern and western margins of the area peripheral to Bell Creek and are largely obscured by late tertiary to Quaternary lateritic soils and alluvium.

The Sandalwood Serpentinite forms four outcrops of low topographical highs within EPM 26560, and trends north-west, south of Bell Creek. These are superficially separated by alluvium and/or lateritic clays.

Deep chemical weathering during the Cainozoic caused the formation of a laterite profile which, where developed over the ultramafic units, contain enhanced nickel and cobalt values. Nickel enrichment >1% is concentrated both in layers in a ferruginous pisolitic laterite found in depressions adjacent to the Serpentinite outcrop and in the underlying weathered Serpentinite. The duricrust varies in depth up to 5m thick. Magnesite is commonly present in the lower parts of the duricrust. The duricrust is underlain either by hard, barren silicified Serpentinite or locally deeply weathered Serpentinite, the latter probably developed along fracture zones.

Previous exploration, by Metallica Minerals Ltd (Metallica), of the area encompassing the Gunnawarra Project (EPM 26560) demonstrated strong magnetic signatures being displayed generally as magnetic highs with associated dipole lows. A hole drilled into the anomaly in 1982 intersected Norite. Norite occurs with mafic and ultramafic rocks in layered intrusions and has been associated with the Sudbury Basin complex in Ontario, the world's second largest nickel mining region.

v. Mineralisation

Comparison can be drawn between this project and the historical Greenvale mine, being in the Greenvale Nickel Province, which produced 40Mt (dry) of nickel cobalt ore from 1974 – 1992. The deposit is reported as producing approximately \$7 billion worth of nickel and cobalt metal over an 18 year period. The ore was mined in a 3km² area to an average depth of only 20m.

Previous exploration has established the existence of potentially economically viable high-grade Nickel and Cobalt deposits within the EPMs and surrounding area. Analysis by Austin Anderson (Australia) Pty Ltd of rock samples indicated high values of Nickel and Cobalt occurring in the ultrabasics with a high Ni: Co ratio of 20:1. Specifically Metallica reported a Measured and Indicated Resource of 14.49 million tonnes in the Bell Creek area. Metallica had planned to mine the deposits directly west of the Gunnawarra Homestead and within the current EPM held by BMAX Holdings Ltd.

At Bell Creek, Metallica reported the ultramafic bodies being deeply weathered to form nickel laterites as part of the Sandalwood Serpentinite intruded along north-north-east trending faults. The nickel mineralisation was considered to occur throughout the laterite profile. Limonitic ores lying above the saprolite zone were generally found to have high grade cobalt with the saprolite zone generally containing high magnesium and iron along with high nickel value. Out crops of laterite occur across a strike distance of some 2.5 km with an inferred resource of 3.31 Mt for 23,110 tonnes of contained Ni metal and 1324 tonnes of Cobalt. Metallica, through the wholly owned subsidiary Qld Gold Pty Ltd, prepared an IAS for submission in which they proposed the mining of three pits in the Bell Creek Northwest Prospect describing isolated outcrops of laterite over a strike distance of 2.5 km and covering 26 hectares.

Reported mineralisation appears to be confirmed by the first pass sampling regime carried out by BMAX Holdings Ltd in 2018. Random surface hand samples were taken from sites in the north-west of EPM 26560, figures 1 and 2. These have been assayed returning upwards of 0.8% Ni and anomalous Co to 0.07%. Assay results are presented below.

Sample GW87 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
826.0	3720.0	346.0	2320.0	306.0	85.0	3.57%	0.03%	60.0	>100,000	190.0	370.0
Sample GW86 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
3780.0	251.0	2440.0	212.0	333.0	12.0	>50%	0.03%	12.0	196.0	45.0	70.0
Sample GW85 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
1310.0	33.0	>10,000	100.0	75.0	27.0	>50%	0.07%	20.0	443.0	391.0	190.0
Sample GW78 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
3510.0	78.0	1920.0	28.0	95.0	3.0	4.83%	19.35%	7.0	1110.0	45.0	30.0
Sample GW77 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
1800.0	107.0	1610.0	27.0	524.0	9.0	4.98%	19.15%	7.0	1240.0	44.0	40.0
Sample GW75 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
818.0	318.0	>10,000	33.0	215.0	19.0	>50%	0.05%	18.0	818.0	132.0	80.0
Sample GW73B Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
2460.0	72.0	>10,000	60.0	127.0	82.0	>50%	0.12%	31.0	1165.0	420.0	220.0
Sample GW64 Gossan											
Ni.	Co.	Cr.	Cu.	Zn.	Pb.	Fe.	Mg.	Sc.	Mn.	V.	P.
222.0	19.0	1110.0	214.0	276.0	40.0	50%	66.0	42.0	319.0	404.0	2760.0

*BMAX EPM 26560 Gunnawarra – Surface Sample highlights (July 2018) include Cobalt **3720ppm**, Nickel **3780ppm**, Copper **2320ppm**, Scandium **60ppm**, Chromite **>10,000ppm***

In the alteration sequence, two distinct types of laterite are formed. The recognition of residual textures in these forms provides an indication of the ore grade in the underlying sulphide body, and as a result further exploration is now in progress. Diagnostic features of Ni-Co-Cu gossans include:

1. High Ni-Co-Cu

2. High Pd-Pt
3. Variable Co-As
4. Low Cr-Mn-Zn-Pb

Gossans, capping non-nickeliferous sulphides, Ironstones and representing laterised sulphides, which can generally be distinguished by:

1. Low Cu-Ni/high Zn and
2. High Ni-Cr-Mn and low Cu respectively

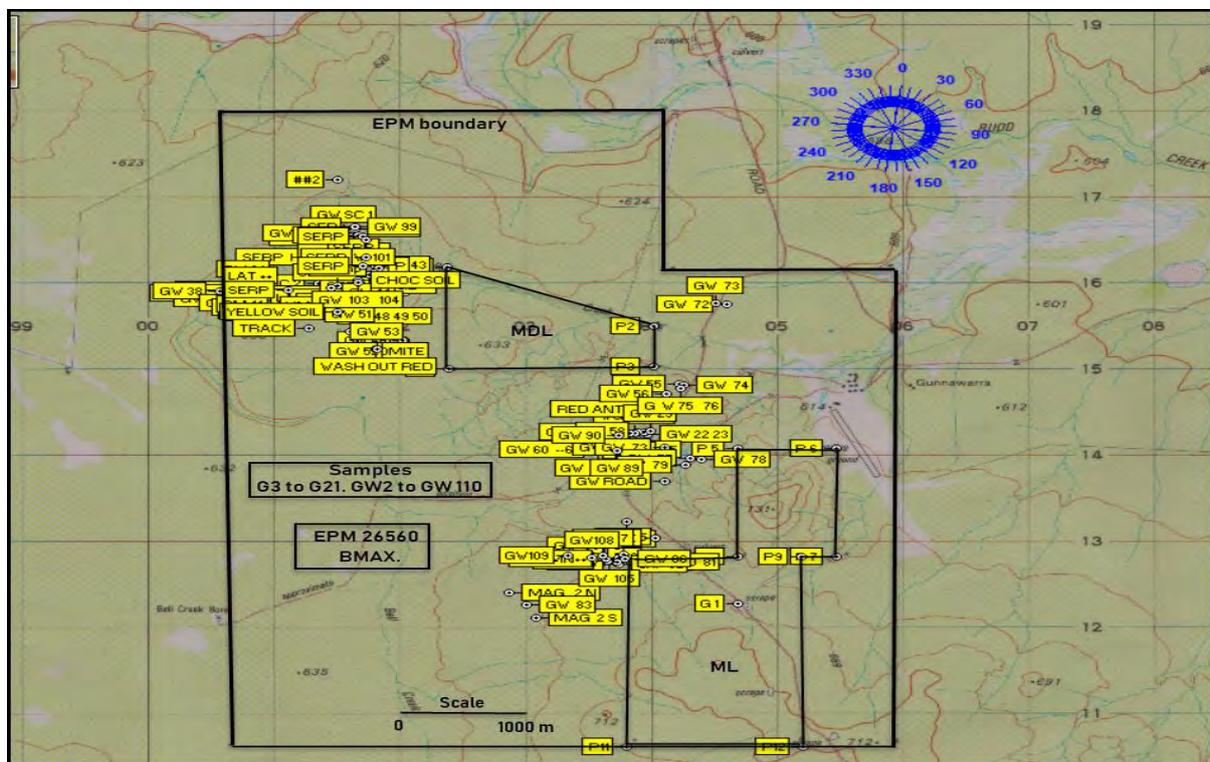


Figure 10 Bmax sampling locations

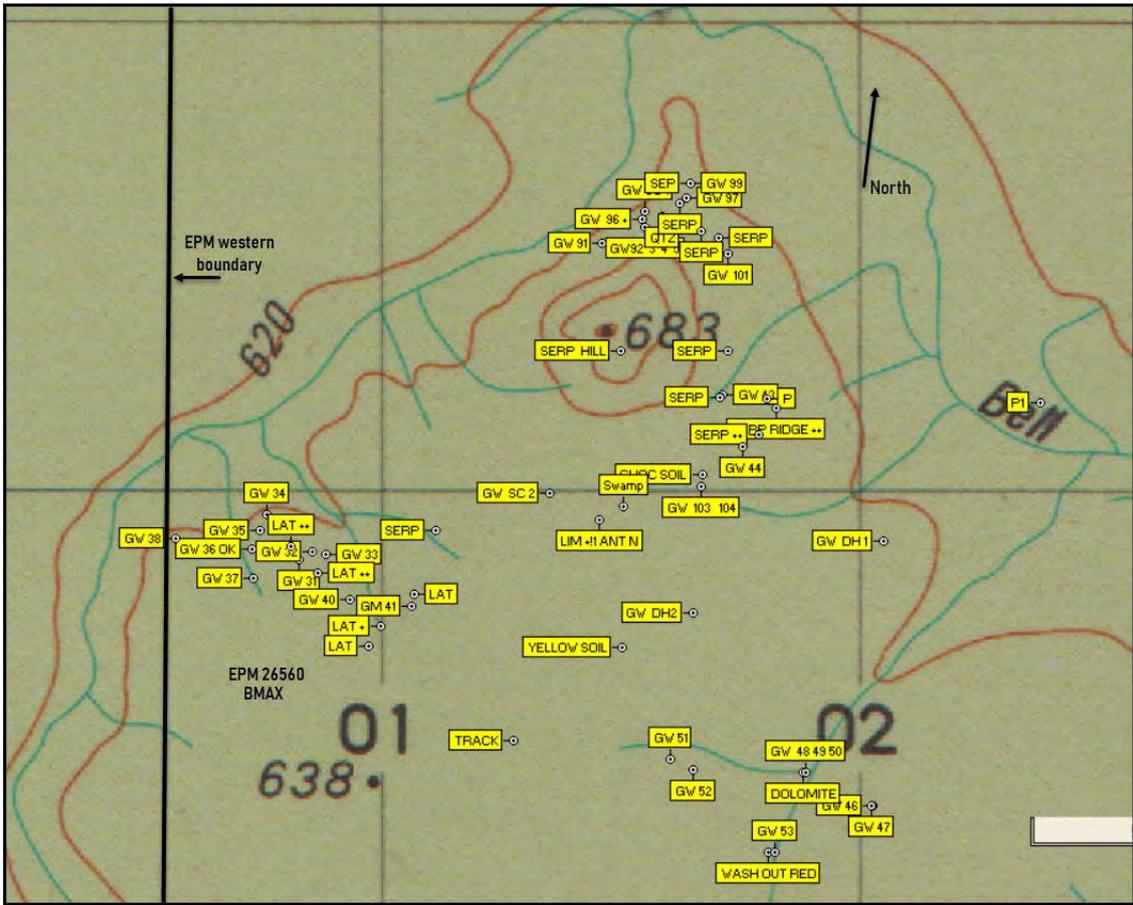


Figure 11 Expanded northern Bmax sample locations

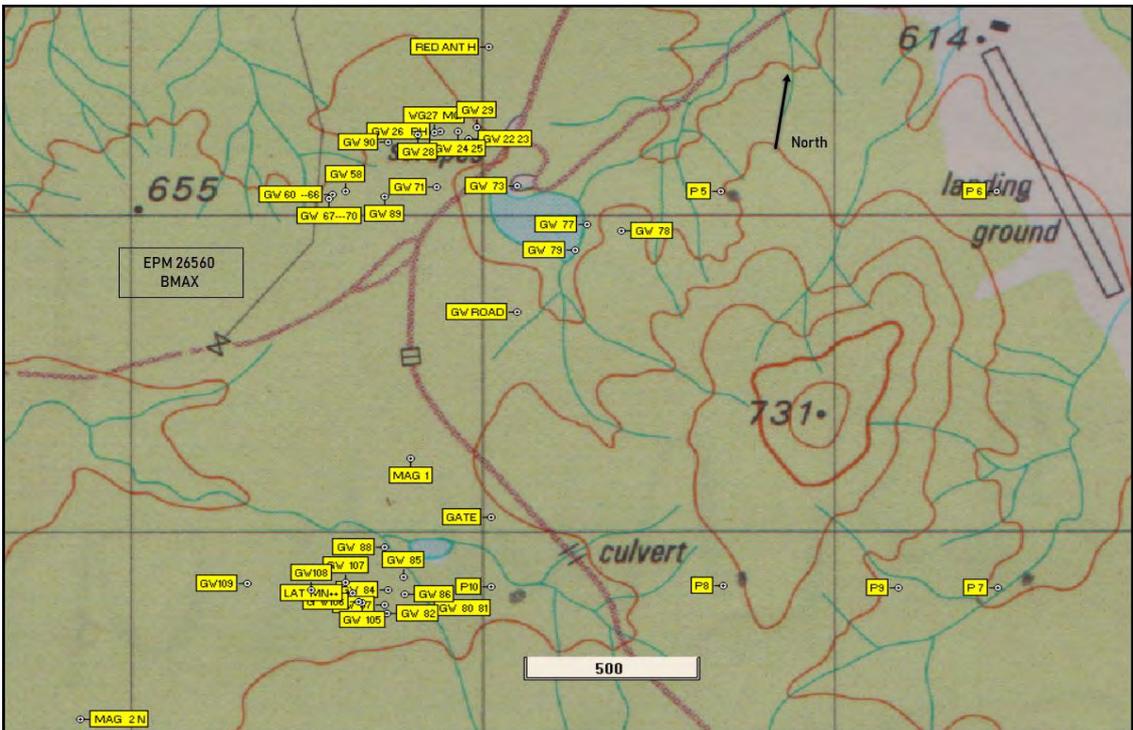


Figure 12 Expanded southern Bmax sample locations

Even siliceous nickel gossans generally retain some characteristics or geochemical “signatures” of their diluted metal contents. Given the high-grade Anomaly these samples represent a probable sulphide body at depth. BMAX Holdings are very encouraged by the latest results therefore have extended their exploration program.

The project holds a strategic position sandwiched between tenements held by Australian Mines Ltd.’s Sconi Project at Gunnawarra, which is considered highly prospective for economic values of nickel and cobalt. Further exploration including targeted drilling would need to be completed to delineate the resource and confirm historical work carried out by Metallica.

vi. Previous Exploration

On Gunnawarra Station a small tongue magnesite deposit was mined from a weathered and laterised serpentinite and two tungsten occurrences are known to be present in the immediate area. At the turn of the century 70 ounces of gold was produced from a mine located on the property.

In the 1970s A.O. Australia Pty Ltd, holders of AP671 and 1289M, conducted 91 percussion drill holes for 2000m, a series of costeans and a representative bulk sample. A.O. concluded that the four outcrops were probably continuous based on a magnetic survey and the results of the percussion drilling. A.O. lodged two mining lease applications across the lateritic nickel deposits. From exploration in Area 1, which coincides with EPM 26560, the company’s extensive drilling defined an Indicated Resource for the Gunnawarra area estimated to be 20 to 28 million tonnes grading in the vicinity of 1.0% Ni using a 0.5% Ni cut off or approximately 8-12 million tonnes grading around 1.5% Ni using a 1% Ni cut off comprising as follows:

The company further reported grades and thicknesses of nickel mineralisation varying from 0.5% to 3.5% and 1.5 to 21 metres thick respectively. Note these results were historically called an Inferred Reserve, which did not comply to JORC 2012 standard.

CRA explored the area in the 1990s primarily for supergene magnesite and gold and finding nothing prospective relinquished the area, however, in 1995, Renison Ltd carried out exploration activities seeking gold on EPM 10235, including reconnaissance mapping, regional rock chip sampling and investigation of previous exploration. Renison considered the area prospective for breccia hosted gold deposits similar to Mt Leyshon and Kidston hidden underneath transported alluvium and residually developed regolith. The EPM was assigned to Metallica in 1997 and formed part of their Nornico Project.

Metallica Ltd expressed confidence in the presence of mine level deposits of high-grade lateritic nickel-cobalt which they planned to process on site using acid leach metallurgical processes to produce metal concentrates for sale domestically and on the international market. This Nornico Project included areas under the current EPM held by BMAX Holdings.

The Nornico/Sconi Project also encompassed “Bell Creek” EPM 11285 and EPM 14101 (now EPM 26560) and the Mining leases 4187 and 4188 (now ML20549) concentrating on identified “substantial” nickel-cobalt resources. This EPM mirrors that held by BMAX Holdings and the subject of this report.

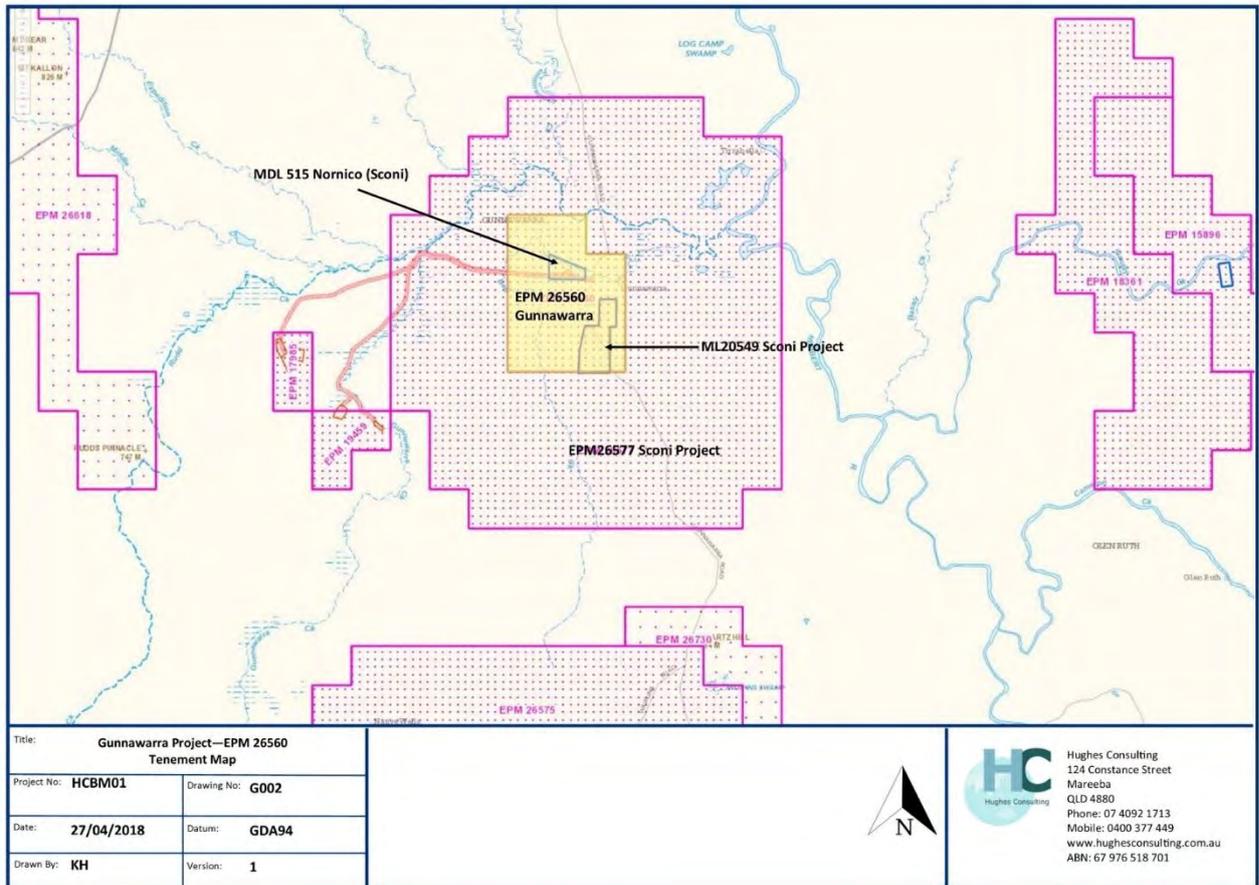


Figure 12. Location of Sconi Project

In December 2017 Metallica sold 100% of the Sconi Project to Australian Mines Limited who have since moved to development of the project.

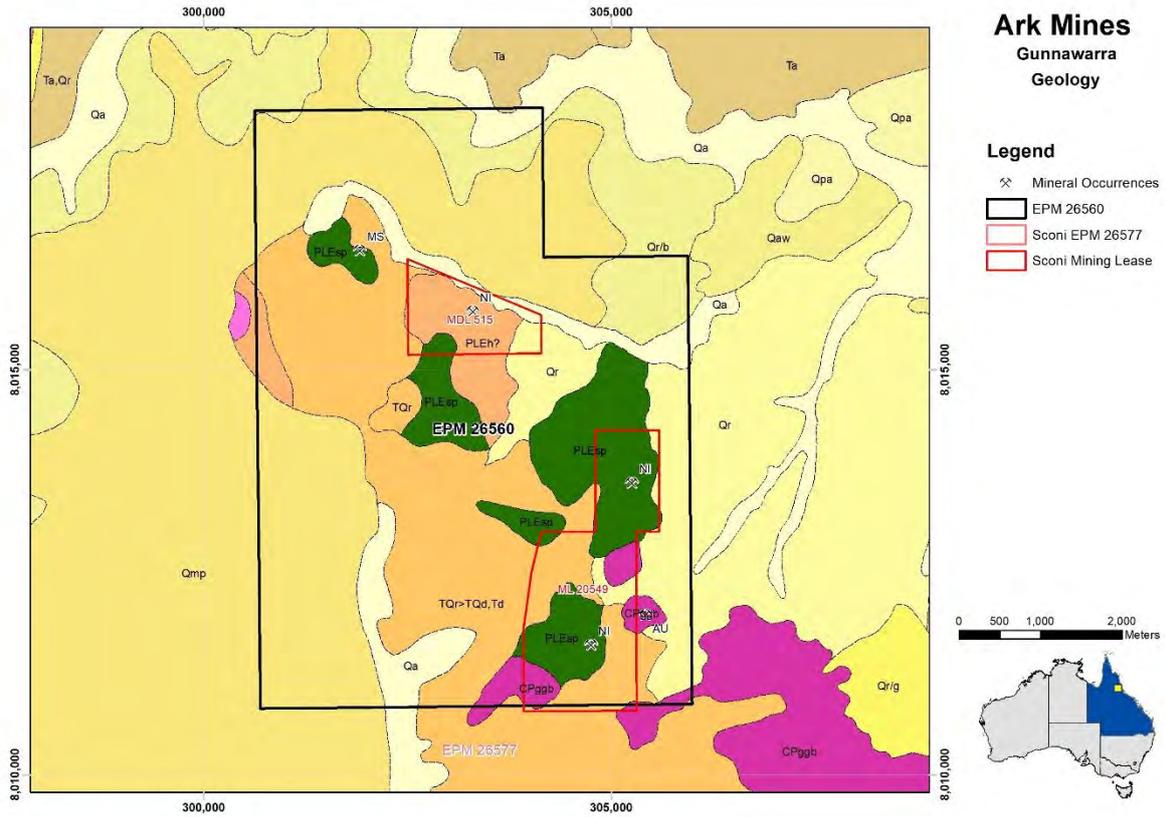


Figure 13 Gunnawarra geology

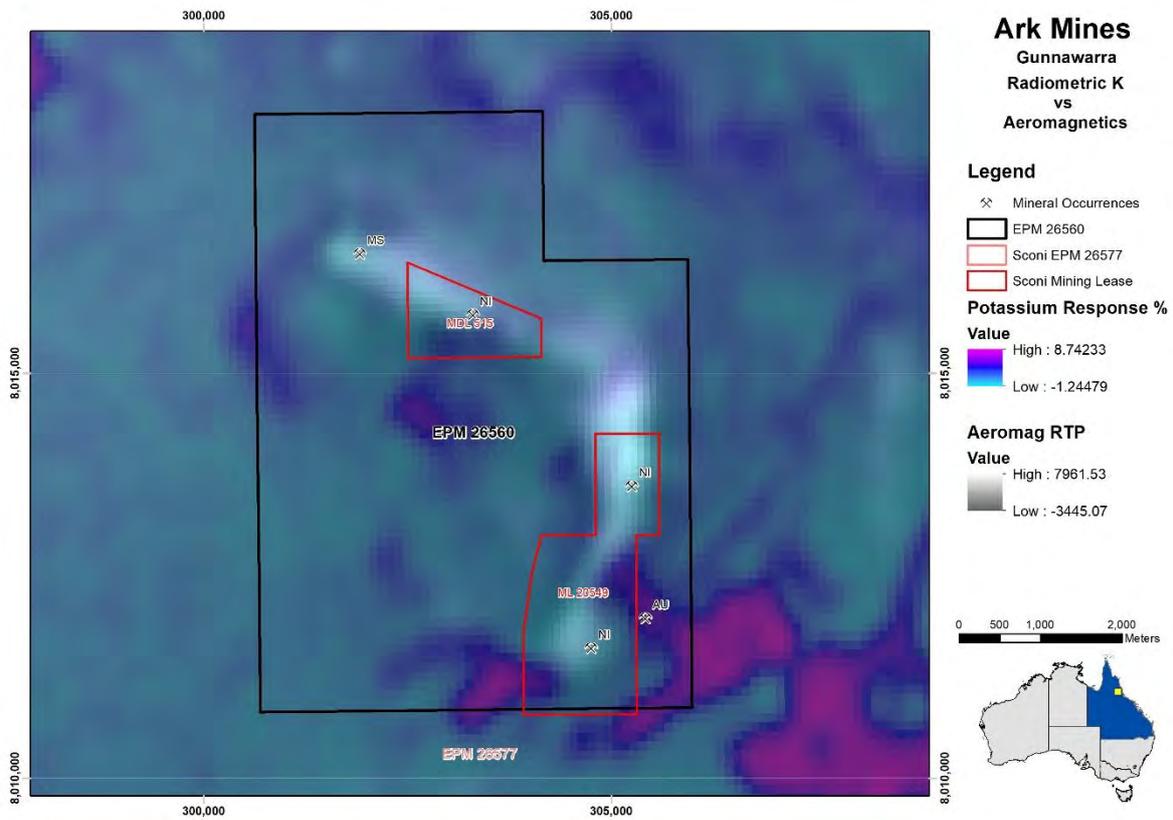


Figure 14 Gunnawarra Radiometrics overlaid on Aeromag

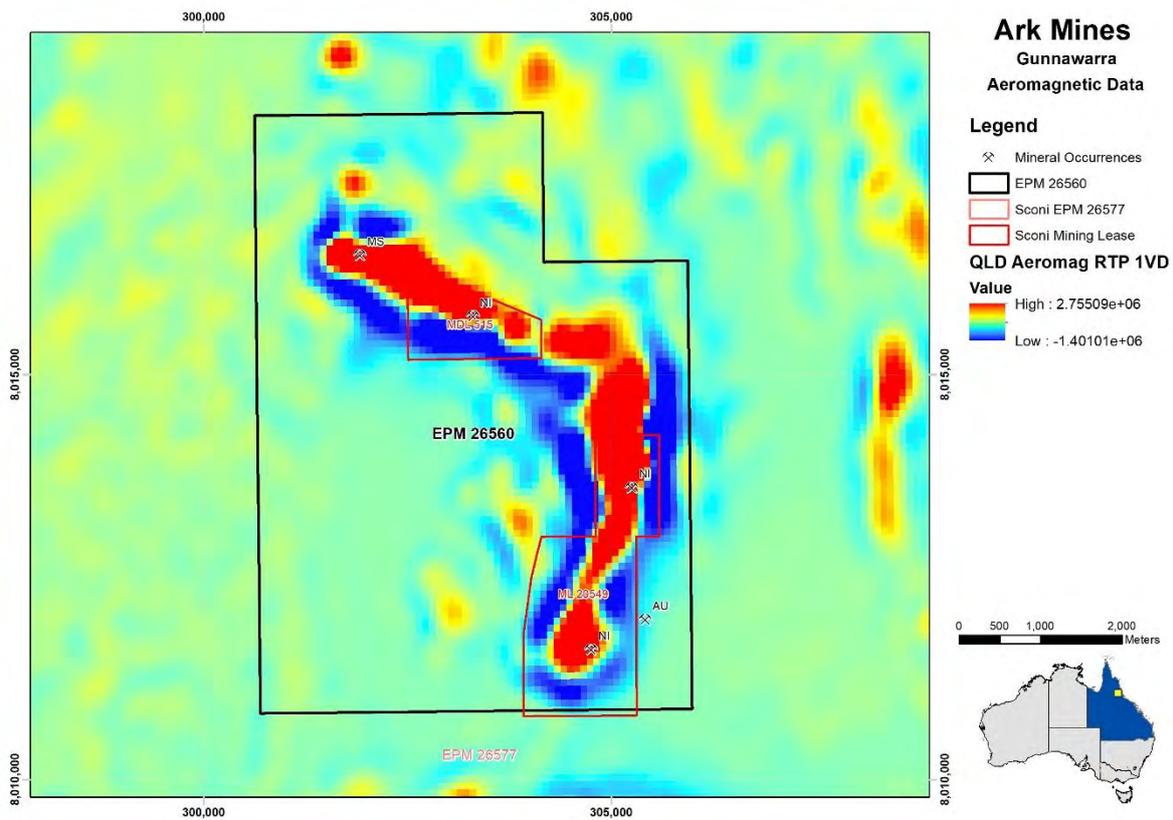


Figure 145 Gunnawarra Aeromagnetics

f. **Pluton Porphyry Gold Project**
i. **Project overview**

The Pluton Gold and Gold porphyry project consists of a granted EPM 2688, which is located near the town of Dimbulah in far-northern Queensland (**Figure 16**). The project is prospective for gold and associated base metals.

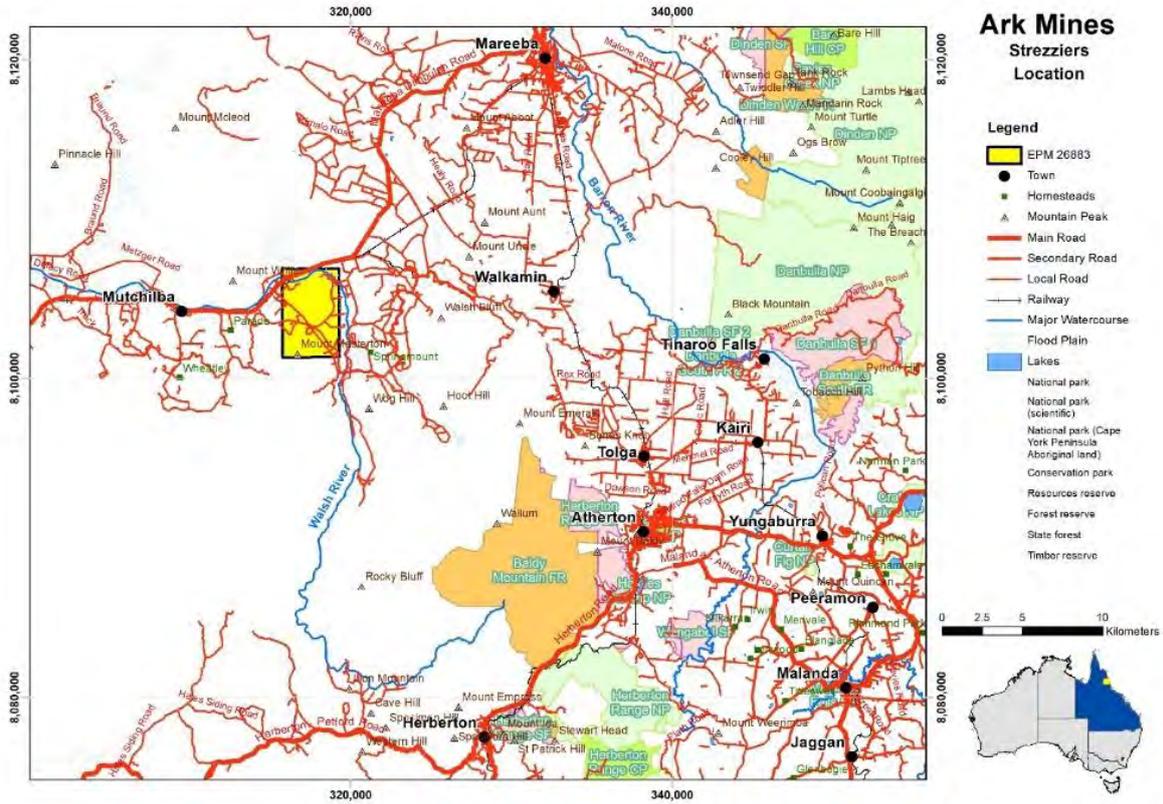


Figure 156 Pluton project location, northern Queensland

ii. Local Geology

The geology of the Pluton project is shown in (Figure 17). Stratigraphic units within the basement rocks can be differentiated only locally, owing to metamorphic effects and the intensity of deformation. Tertiary rocks are locally present at the western application boundary and in the southeast. The contact between basement and Tertiary sediments is frequently characterised by an irregular zone of deep weathering and leaching of the basement rocks beneath the contact. Tertiary outliers, comprising fluvial and lacustrine deposits of the Eocene Hogburn Formation and the Oligocene-Miocene Wedderburn Formation are locally capped by basalt flow remnants belonging to the Pliocene Waipiata volcanics (Murfit, 1997).

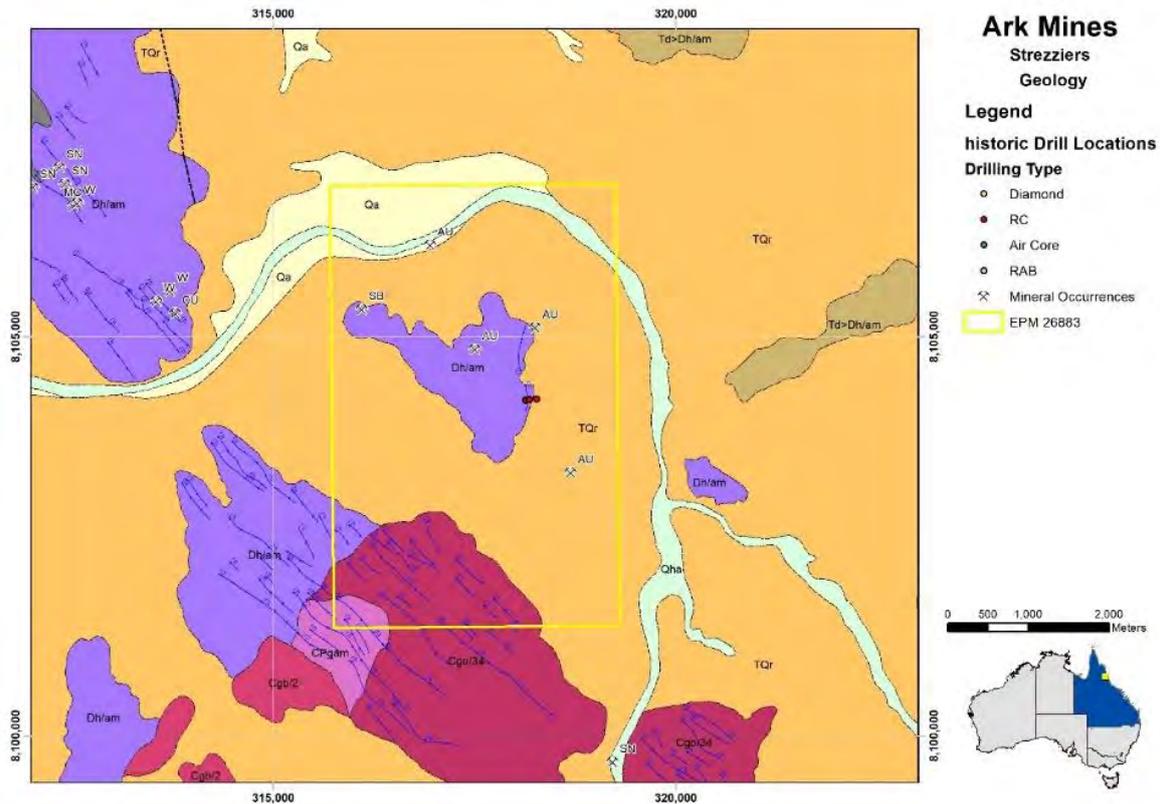


Figure 167 Geological map of the Pluton project

iii. Previous Exploration

CRAE undertook significant work during the late 1980s including detailed mapping, geochemistry and geophysics of the breccia zone of the Pluton Prospect. An IP survey was carried out to define drill targets. CRAE also identified the Pluton prospective porphyritic dacite dykes and associated annular collapsed breccia as the best remaining target.

The Pluton project has had some drilling undertaken, with an intersection of 48m at 0.26g/t Au from 30m downhole. (Malachite May 2006 ASX: MAL)

Exploration work by Malachite Resources on Pluton targeted the breccia zone. Most of the breccia consists of angular sandstone fragments with a finer matrix.

15 surface rock chip samples were taken from breccia, quartz veined breccia, sulphide breccia and quartz veined sandstone. The test results were highly anomalous particularly for gold (9.94 g/t), Bismuth (730ppm) and lead (1230 ppm).

iv. Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out infill soil sampling and detailed soil sampling over some targeted locations, detailed geophysical interpretation, and further step out drilling from the previous drilling.

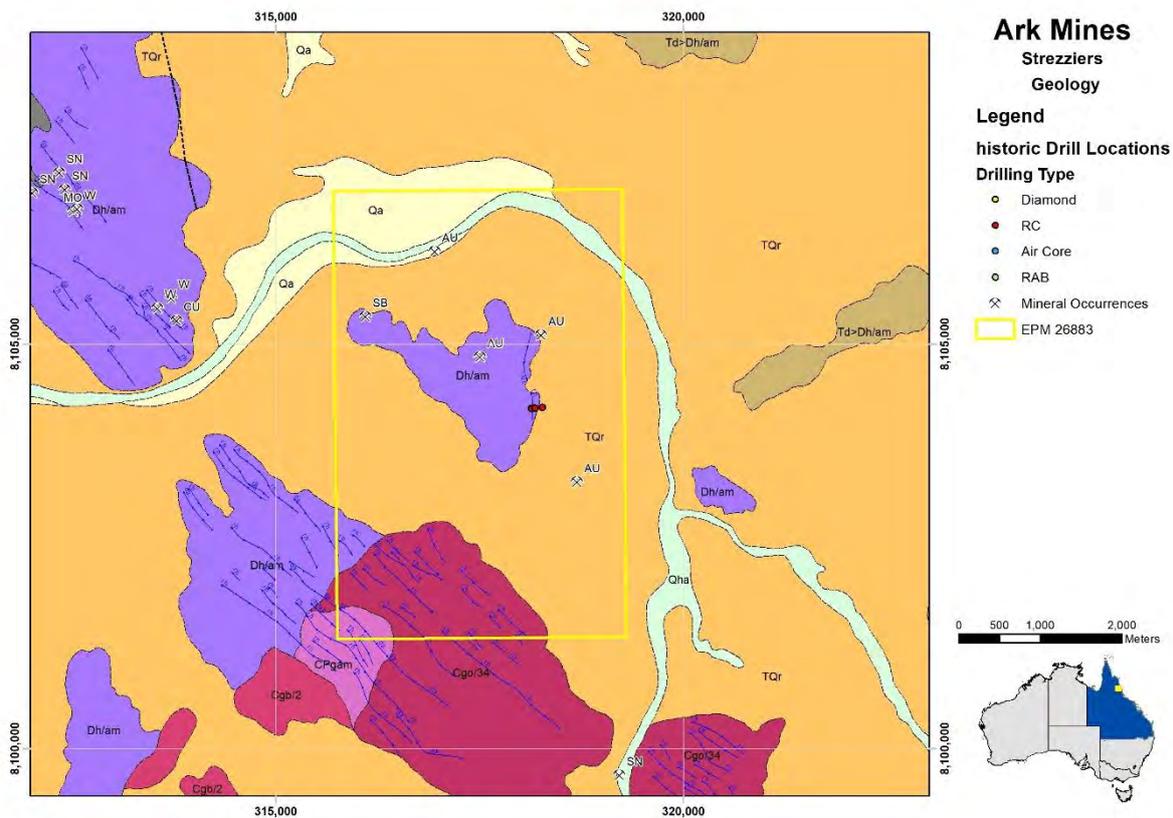


Figure 178 Pluton Locations of the collars of the RC drilling undertaken by Malachite

Table 4 Malachite Drill collar details

Hole	East GDA	North GDA	Dip	Azimuth (mag)	Total Depth	Depth Oxidation	Date Finish	Target Comments
PLRC01	318017	8104038	-50°	264°	88m	52m	18/11/2005	Hole into centre of breccia
PLRC02	318024	8104034	-60°	83°	88m	31m	17/11/2005	Hole testing inferred westerncontact of breccia
PLRC03	318152	8104052	-60°	263.5°	91m	38m	20/11/2005	Hole testing inferred easterncontact of breccia.
PLRC04	318058	8104042	-60°	324°	88m	37m	19/11/2005	Hole directly underneath breccia outcrop with As-rich matrix.
PLRC05	318063	8104043	-50°	243°	88m	34m	21/11/2005	Hole to test newly discovered quartz porphyry below base of oxidation.

16. PROJECT RISKS

Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Minnelex has identified a range of risk elements or risk factors that may affect the project's future exploration and operational performance. The future exploration activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Some of the risk factors are completely external and beyond the control of management. However, project-specific risks can be mitigated by taking the proper measures in advance. Key project risks that have been identified are discussed below.

a. Approvals tenure and Permits

Tenement EPM26464 at Mt Jesse Project and EPM 26560 Gunnawarra are pending renewal at the Queensland Mines department. For the term to be extended, the State must be satisfied that a prescribed ground for extension of the exploration licence exists. The grant of any mining lease in due course will be subject to such State and Federal regulatory approvals, as may be required.

Permit	Project	Grant	Expiry	Area (ha)	Area (km2)
EPM26464	Mt Jesse	6/10/2019	6/10/2021	1,240	12.4
EPM26560	Gunnawarra	24/11/2019	24/11/2021	3,410	34.1
EPM26883	Pluton	8/3/2021	8/3/2023	1,860	18.6
Total				6,510	65.1

b. Exploration Risk

The exploration risks associated with the project are generic and common to most greenfield exploration projects in Queensland. In Minnelex' opinion, these exploration projects do not pose a significantly higher risk than any other early-stage exploration projects in Queensland

c. **Commodity Price risk**

The projects are subject to metal price fluctuations.

d. **Environmental Risks**

The environmental risks associated with the project are generic and common to most greenfield exploration projects in Australia, including groundwater disturbance, flora and fauna habitat protection.

e. **Development and Operational risk**

Exploration and development of mineral operations is capital intensive. The company will require capital to move the assets forward.

The operations may be affected by various other factors, including under reported predicted grades in exploration and mining, un expected metallurgical issues, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

17. PROPOSED EXPLORATION PROGRAM

a. **Gunnawarra**

- Ground magnetics
- Detailed mapping and sampling
- Desktop drill design and target generation
- Shallow Reverse Circulation drilling
- Scoping Study

b. **Mt Jesse**

- Ground magnetics
- Detailed mapping and sampling
- Desktop drill design and target generation
- Shallow Reverse Circulation drilling
- Scoping Study

c. **Pluton**

- Detailed mapping and sampling
- Desktop drill design and target generation
- Reverse Circulation drilling

Table 5 Exploration Budget

Funds available	Minimum Subscription (\$'000)				Maximum Subscription (\$'000)			
Existing cash reserves (Inc. pre-IPO raise)	150				150			
Funds raised from the offer	4,500				5,000			
Allocation of Funds								
Cost of the offer	450				450			
	Year 1		Year 2		Year 1		Year 2	
Exploration at the Gunnawarra project: geophysics acquisition & interpretation, drilling & assays	350		550		400		600	
Ground Magnetism	60				60			
Detailed mapping, +/-sampling	35				35			
Desktop Drill design and target generation	15	Desktop Drill design and target generation	15		15	Desktop Drill design and target generation	15	
RC Drilling 2000m Av 30m angled	160	RC Drilling 4000m Av 30m angled	320		200	RC Drilling 4100m Av 30m angled	350	
Assays	40	Assays	80		50	Assays	100	
data entry	15	data entry	15		15	data entry	15	
Logistics	25	Logistics	50		25	Logistics	50	
		Resource work	70			Resource work	70	
Exploration at the Mount Jesse project: geophysics acquisition & interpretation, drilling & assays	325		475		350		525	
Ground Magnetism	40				50			
Detailed mapping, +/-sampling	30				30			
Desktop Drill design and target generation	15	Desktop Drill design and target generation	15		25	Desktop Drill design and target generation	15	
RC Drilling 2000m Av 30m angled	160	RC Drilling 4000m Av 40m angled	320		160	RC Drilling 3800m Av 40m angled	310	
Assays	40	Assays	80		40	Assays	65	
data entry	15	data entry	15		15	data entry	15	
Logistics	25	Logistics	50		30	Logistics	50	
		Resource work	70			Resource work	70	
Exploration at the Pluton project: geophysics acquisition & interpretation, drilling & assays	175		225		200		275	
Detailed mapping, +/-sampling	25	Detailed mapping, +/-sampling	25		25	Detailed mapping, +/-sampling	25	
Desktop Drill design and target generation	10	Desktop Drill design and target generation	10		10	Desktop Drill design and target generation	15	
RC Drilling 1300m	80	RC Drilling 1500m	110		100	RC Drilling 1700m	135	
Assays	25	Assays	35		30	Assays	40	
data entry	10	data entry	10		10	data entry	10	
Logistics	25	Logistics	35		25	Logistics	50	
New project assessment/review	125		125		150		150	
General administration costs	400		400		425		450	
Surplus working capital	1,050				1,145			

18. CONCLUSION

Minnelex concludes the projects in Ark are appealing, and as grassroots exploration and more advanced developed projects, have the potential to be further enhanced.

The proposed budget allowances are considered consistent with the exploration potential of each project and are considered sufficient to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the Tenements.

The Independent Geologist's Report has been prepared on information available up to 17 September 2021, and Minnelex is not aware of any material change to the Company's mineral interests since that date.

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20. APPENDICE 1 TABLE 1

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the **Mt Jesse Project**.

a. Mt Jesse Project

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<i>Sampling includes 1225 soil samples were taken 975m of RC drill chips were collected from 11 collars. Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<i>Various grid sizes and orientations were used so as to best cover the variable ground conditions Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	<i>RC drilling was used to take 1m samples, historic sample mass unknown. Samples were pulverised and a 30g aliquot taken for fire assay. 250g soil samples were collected in B horizon, pulverized and a 30g aliquot was taken for screen fire assay. Gold analysis using fire assay (ppb), and a 28 element ICP scan were undertaken on all samples. Intermet Resources Muderra Annual Report 2009 to 2010</i>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	<i>RC drilling using 5.5 inch face sampling hammer was used for 975m over 11 holes Intermet Resources Muderra Annual Report 2009 to 2010</i>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<i>A total of 1225 soil samples were taken during the reporting period on the EPM. Gold analysis using fire assay (ppb), and a 28 element ICP scan were undertaken on all samples. Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	NA
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	NA
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Historic chip logs not yet reviewed
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	

Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	Intermet Resources drilled eleven exploration reverse circulation drill holes for a total of 975m on the Munderra Project during the reporting period 02/03/2009 to 01/03/2010. <i>Intermet Resources Muderra Annual Report 2009 to 2010</i>
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	It is believed that samples were riffle split using a rig mounted riffle splitter, full details yet to be confirmed
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	QAQC data yet to be reviewed
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second- half sampling.</i>	QAQC data yet to be reviewed
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	QAQC data yet to be reviewed
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Gold analysis using fire assay (ppb), and a 28 element ICP scan were undertaken on all samples. <i>Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	NA
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Control procedures are not detailed
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	NA
	<i>The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Surveying method unknown
	<i>Specification of the grid system used.</i>	GDA94
	<i>Quality and adequacy of topographic control.</i>	Not known

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<i>Prospect scale soil sampling was undertaken over the Mt Cardwell areas. Prospect scale soil sampling used grid spacing down to 50m x 50m separation.</i> <i>Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<i>Please refer to Figure 6. Soil Sample Sites, Intermet Resources Muderra Annual Report 2009 to 2010</i>
	<i>Whether sample compositing has been applied.</i>	NA
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	NA
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	NA
Sample security	<i>The measures taken to ensure sample security.</i>	NA
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	<i>EPM 26464 Mount Jesse is located Approximately 176Km from Cairns (164Km from Cairns to Mt Garnet and a further 12Km from Mt Garnet to Cardwell Station). EPM26464 contains 4 sub blocks is held 100% by Bmax Holdings Pty Ltd, the lease was renewed on the 5/10/2019 for a period of two years.</i> <i>A cultural heritage survey was conducted over a number of areas to identify areas of cultural heritage significance. Fortunately, no significant sites were found within the EPM.</i>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	No Known impediments to obtain a licence to operate in the area.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Please refer to Intermet Resources Annual Report 2009 to 2010
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The region is prospective for base metal skarns, intrusion-related gold deposits, hydrothermal copper - base metal – gold systems and hard rock and alluvial tin – tungsten deposits. The EPM overlies a number of significant geological units including the Chillagoe Limestone Formation and Ootann Super Suite Granites. The Chillagoe Formation is known to host several regionally significant economic deposits including Mt Garnet Zn-Cu, Mungana Cu-Au and Red Dome Au

Criteria	JORC Code explanation	Commentary
		<i>Intermet Resources Muderra Annual Report 2009 to 2010</i>
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	
	<ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> 	Refer to Table 1 Appendices 2
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No top cut is applied. No cut-off grade has yet been applied No weighting or averaging has been applied
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	NA
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	NA
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	All intercepts are given as down hole widths
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i>	Refer to attached maps in Appendices 2 Figure 10 And Figure 11
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	NA
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<i>Exploration in the area of the EPM has provided evidence of the existence of a number of styles of mineralization including skarn base metal, porphyry gold, porphyry copper, tin-tungsten greisen, granite hosted gold and hydrothermal gold-base metal. Further to this, the existence of a number of significant economic deposits in the region provides additional impetus for continuing and expanding the exploration program.</i> <i>Intermet Resources Muderra Annual Report 2009 to 2010</i>

Criteria	JORC Code explanation	Commentary
Further work	<p><i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p><i>Following completion of the Acquisition, Ark Mines plans to carry out shallow drilling targeting the Southwest trending magnetic anomaly targeting the Jesse Iron Formation. Further to this Ark will undertake some infill sampling around anomalous copper zones, detailed geophysical interpretation, and undertake a first-pass drilling program across the copper target.</i></p>

b. Gunnawarra Project

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the **Gunnawarra Project**.

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<i>Reported mineralisation appears to be confirmed by the first pass sampling regime carried out by BMAX Holdings Ltd in 2018. Random surface rock chip samples were taken from sites in the north-west of EPM 26560</i> <i>Hughes Consulting - Independent Geologist Report Gunnawarra & Greenvale Projects 2019</i>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<i>The location of each rock chip sample taken by BMAX Holdings within the EPM were logged using a hand held GPS, samples were then analysed by ALS Australia.</i>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	<i>The tenement Mineralisation is an extension of the Norrinco Tenements. These tenements have had considerable sampling and metallurgical testwork to support a feasibility study.</i> <i>Bell Creek was operated for most of the 2008/09 year.</i> <i>Metallica Minerals Annual Report 2009</i>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>

Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<i>No drilling is reported for Gunnawarra in this announcement</i>
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No samples are reported in this announcement
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	NA
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	NA
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	NA
	<i>The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<i>Hand held GPS is acceptable for initial rock chip sampling with accuracy ±8m in x and y typical</i>
	<i>Specification of the grid system used.</i>	
	<i>Quality and adequacy of topographic control.</i>	Grid GDA94 No topographic control applied.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	NA

Criteria	JORC Code explanation	Commentary
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	NA
	<i>Whether sample compositing has been applied.</i>	NA
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	No drilling is reported for Gunnawarra in this announcement
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling is reported for Gunnawarra in this announcement
Sample security	<i>The measures taken to ensure sample security.</i>	NA
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	<i>The Gunnawarra Project consists of EPM 26560 located 30km south of Mt Garnet in Far North Queensland and EPM 26599, 17 km south of Greenvale both of which are held by BMAX Holdings Pty Ltd. EPM 26560 was granted on 24th November 2017 for a period of two years and a renewal for two years was granted 24th November 2019, the EPM covers 11 sub blocks Hughes Consulting - Independent Geologist Report Gunnawarra & Greenvale Projects 2019</i>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	No Known impediments to operate in the area
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	A.O. Australia Pty Ltd, CRA Ltd, Renison Ltd and Metallica Minerals Ltd have all carried out exploration within and around the EPM <i>Hughes Consulting - Independent Geologist Report Gunnawarra & Greenvale Projects 2019</i>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<i>Previous exploration has established the existence of potentially economically viable high-grade Nickel and Cobalt deposits within the EPMs and surrounding area The project lies in the eastern most part of the Georgetown inlier in the Greenvale sub province close to the Palmerville Fault Zone. Carboniferous to Upper Permian post tectonic granite emplacement and acid volcanism is associated with the major regional structural feature. Hughes Consulting - Independent Geologist Report Gunnawarra & Greenvale Projects 2019</i>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	No drilling is reported for Gunnawarra in this announcement
	<ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No drilling is reported for Gunnawarra in this announcement
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No samples are reported in this announcement
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No samples are reported in this announcement
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	No drilling is reported for Gunnawarra in this announcement
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i>	No samples are reported in this announcement
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	No samples are reported in this announcement
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No samples are reported in this announcement

Criteria	JORC Code explanation	Commentary
<p>Further work</p>	<p><i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p><i>Following completion of the Acquisition, Ark Mines plans to carry out follow-up sampling, detailed geophysical interpretation, and undertake Shallow RC drilling along strike of the Bell Creek resource, and on other targets within the lease. A component of the drilling will focus on the basement rocks for sulphide mineralisation.</i></p>

c. Pluton Project

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the **Pluton Project**.

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<i>In April and June 2005, two separate rock chip sampling programs targeted three of the five prospects and confirmed the presence of localised high grade Au mineralisation at surface, and that the best targets exist in the central parts of the Pluton EPM. This area was tested with RC drilling in November 2005 (Pluton Prospect).</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<i>Representative samples weighing between 1 and 3 kg were collected with a G-pick or sledge hammer and placed in calico sample bags with unique sample numbers. Sample locations were recorded with a GPS and geological details of each sample were logged on standard rock chip sheets</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<i>Detailed Exploration Work - Pluton Prospect</i> <i>First-pass prospecting and mapping;</i> <i>Rock chip sampling (15 samples);</i> <i>RC Drilling (5 holes) for a total advance of 443 m.</i> <i>Malachite Resources Annual Report May 2006</i>
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	<i>The first field program consisted of drilling five RC holes to test the subsurface expression of brecciation and mineralisation at Pluton. A total of 443m was drilled to test the breccia and a nearby quartz-phyric porphyritic intrusive body. The drilling intersected only minor zones of pyrite-arsenopyrite mineralisation within weakly altered sandstone and intrusive</i> <i>Malachite Resources Annual Report May 2006</i>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<i>The samples were assayed by ALS Chemex Labs in Townsville. The rocks were assayed for Au (50 g Fire Assay method AA26) and up to 34 other trace/major elements (ME-ICP41).</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	NA
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	NA
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	NA
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	NA

Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	NA
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	NA
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<i>All samples were taken with a tapered PVC spear by spearing each 1-m bag 1-2 times within the composite interval. Wet samples were also speared regardless of the sample interval, but these form a very small population of samples. About 2 to 3-kg was speared from each sample interval</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<i>As part of Malachite's Quality Control (QC) protocol, a system of duplicate sampling was implemented for the RCP drilling to measure the sampling variance. Duplicate 1-m and 3-m samples were taken by the same method as the corresponding sample being duplicated, at a frequency of about one duplicate for every 20 samples submitted to the laboratory</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	NA
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	NA
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	NA
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	NA
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	NA
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<i>A total of 189 samples (including 10 duplicates, 6 standards and 5 blanks) were submitted to ALS Townsville laboratory for analysis</i> <i>Malachite Resources Annual Report May 2006</i>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<i>All standards and duplicates were within acceptable ranges. Sampling of a selected interval in PLRC03 by 3 m composites and 1 m samples was utilized as a way of checking reproducibility of sample results. This also allowed some confidence to be attributed to the compositing technique that it did not adversely decrease elevated gold values in 1 m sample intervals by dilution into a 3 m composite sample.</i> <i>Malachite Resources Annual Report May 2006</i>
	<i>The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	

Criteria	JORC Code explanation	Commentary
	<i>Specification of the grid system used.</i>	NA
	<i>Quality and adequacy of topographic control.</i>	

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	NA
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	NA
	<i>Whether sample compositing has been applied.</i>	<i>All standards and duplicates were within acceptable ranges. Sampling of a selected interval in PLRC03 by 3 m composites and 1 m samples was utilized as a way of checking reproducibility of sample results. This also allowed some confidence to be attributed to the compositing technique that it did not adversely decrease elevated gold values in 1 m sample intervals by dilution into a 3 m composite sample.</i> <i>Malachite Resources Annual Report May 2006</i>
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	NA
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	NA
Sample security	<i>The measures taken to ensure sample security.</i>	NA
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	EPM 26883 The Pluton – Strezziers The tenements contain 6 sub blocks and is held 100% by Bmax Holdings Pty Ltd.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	No known impediments to obtain a licence to operate.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Malachite Resources and Internet Resources
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Pluton Project is located within the Palaeozoic Hodgkinson Province of north Queensland. The area is dominated by sedimentary rocks of Devonian age belonging to the Hodgkinson Formation (1:250,000 Atherton Geology Sheet – Bultitude et al. 1986). <i>Malachite Resources Annual Report May 2006</i>
Drill hole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	
	<ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> 	Refer to Table 2 in Appendices 3
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	NA
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	NA
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	NA
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Please reference Malachite Resources <i>PLUTON PROJECT – Drill cross section for EPM14648</i> <i>Drill Hole Section</i> <i>PLRC01, PLRC02, PLRC03 & PLRC05</i> <i>File name cr_42792_5</i>
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Appendices 3
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	NA

JORC Code explanation		Commentary
Criteria		
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	NA
Further work	<p><i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<i>Following completion of the Acquisition, Ark Mines plans to carry out infill soil sampling and detailed soil sampling over some targeted locations, detailed geophysical interpretation, and further step out drilling from the previous drilling.</i>

21. APPENDIX 2. INTERNET DRILL COLLAR LOCATIONS

Table 6: Internet Drill collar locations

Hole_ID	GDA_East	GDA_North	RL	Actual Depth	Hole Type	Azimuth	Dip	Start_Date	Completion_Date
JRC004	281736	8049279	609	156	RC	140	-60	25.11.09	27.11.09
JRC005	281775	8049198	630	84	RC	311	-60	27.11.09	28.11.09
JRC006	281740	8049166	645	125	RC	320	-60	29.11.09	30.11.09
JRC007	281741	8049164	645	18	RC	320	-75	30.11.09	30.11.09
JRC008	281694	8049149	635	90	RC	320	-60	30.11.09	1.12.09
JRC009	281695	8049147	635	90	RC	320	-82	1.12.09	2.12.09
JRC010	281034	8048977	610	66	RC	342	-70	2.12.09	2.12.09
PRC016	287152	8045238	774	130	RC	35	-60	3.12.09	3.12.09
PRC017	287417	8044738	719	71	RC	230	-60	4.12.09	5.12.09
PRC018	287444	8044770	724	65	RC	50	-65	5.12.09	5.12.09
PRC019	287493	8044834	724	80	RC	50	-60	6.12.09	6.12.09



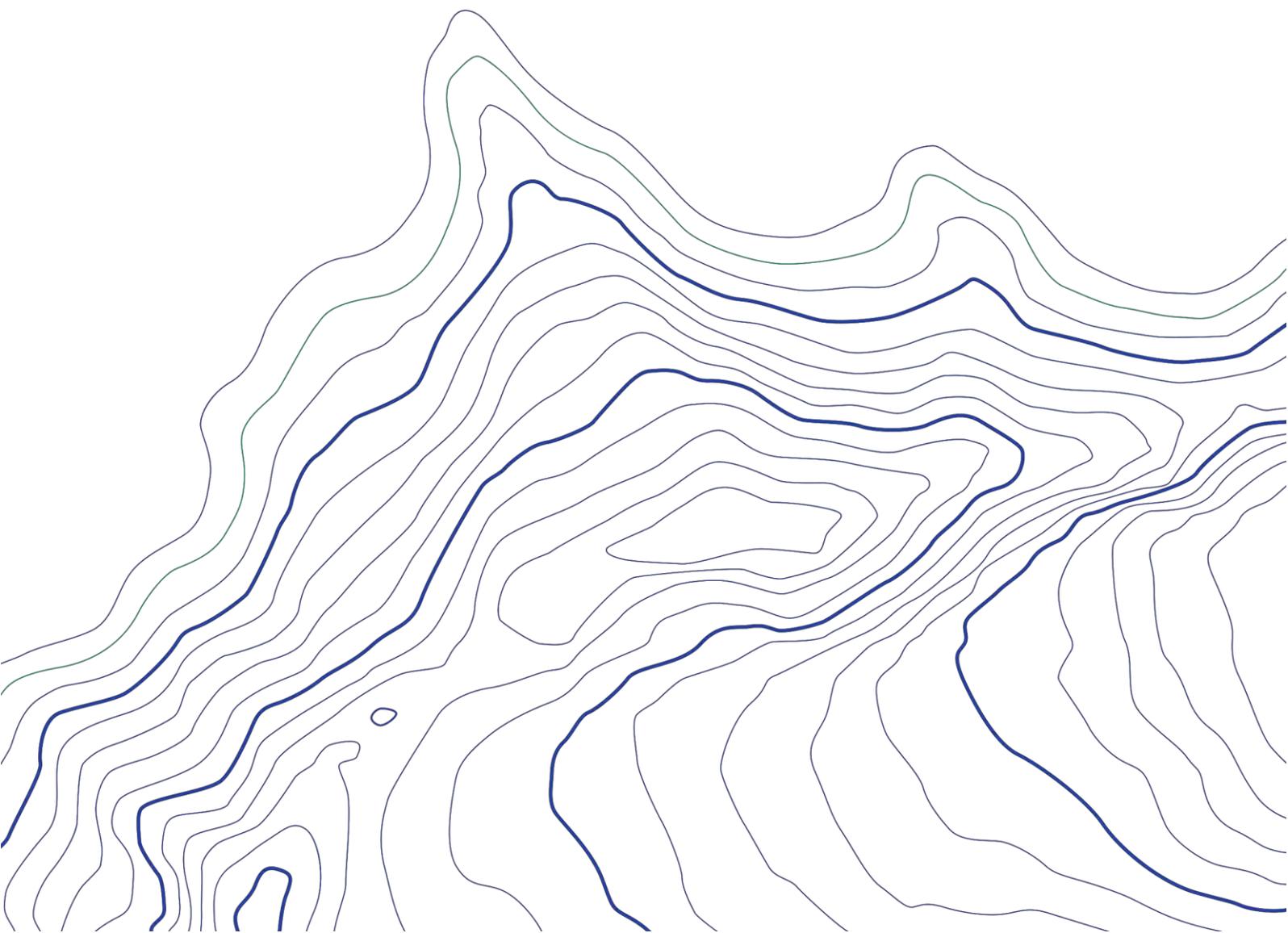
Phone: 07 4092 6743

Email: qld@tenementmatters.com.au

Postal: PO Box 706 Mareeba Qld 4880

Website: www.tenementmatters.com.au

Tenement Report on behalf of Ark Mines Limited



Tenement Report

On behalf of Ark Mines Limited

For acquisition of MIJ Holdings Pty Ltd

Tenure held by:

Mt Jesse Pty Ltd

Gunnawara Pty Ltd

Mt Pluton Base Pty Ltd

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Tenement Report Brief

Avoca Tenement Consulting Pty Ltd was instructed to provide a report on the status of the permits held by BMAX Holdings Pty Ltd, being transferred to Mt Jesse Pty Ltd, Gunnawara Pty Ltd and Mt Pluton Base Pty Ltd.

This report has been prepared by Claire Mackney who has over 8 years tenement management experience in Queensland.

Purpose

The purpose of the report is to provide a comprehensive information on the subject permits to ascertain ownership, compliance and status of the tenure located in Queensland.

Scope

The scope of the Report has been restricted to compliance with the following legislation:

- (a) Mineral Resources Act 1989 (Qld)
- (b) *Mineral Resources Regulation 2013* (Qld)
- (c) *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld)
- (d) *Mineral and Energy Resources (Common Provisions) Regulation 2016* (Qld)
- (e) *Native Title Act 1993* (Cth)

Information Sources

Information provided in this report is obtained from the Department of Resources, the Department of Environment and Science and from available documents relating to the permits.

Permit Schedule

The below permits are currently held by BMAX Holdings Pty Ltd and subject to transfer to the entities as described being subsidiaries to MIJ Holdings Pty Ltd.

Permit	Transferee Holder	Project	Area sbks	Grant	Expiry
EPM 26464	Mt Jesse Pty Ltd	Mt Jesse	4	06/10/2017	05/10/2021
EPM 26560	Gunnawara Pty Ltd	Gunnawara	11	24/11/2017	23/11/2021
EPM 26883	Mt Pluton Base Pty Ltd	Mt Pluton	6	08/03/2019	07/03/2023

Background Legislation

In Queensland, the Mineral Resources Act 1989 is the primary legislation regulating exploration, mining and processing of minerals.

Ownership of minerals located on or below the surface of the land, excepting certain limited circumstances (relating to limited categories of historic land parcels), is vested in the Crown.

As owner of the minerals, the Crown is entitled to confer rights on lessees or licensees to explore for and mine one or more minerals, collectively referred to as mining tenements.

The *Mineral Resources Act 1989* (QLD) (**MRA**) is the principal legislation regulating mining, exploration, extraction, and processing of minerals within Queensland.

In Queensland, mining tenements may be granted for defined minerals, coal and solid hydrocarbons, and infrastructure. The Company's Exploration Permits for Minerals (**EPMs**) in Queensland are detailed in the table below (**Queensland Tenements**).

An EPM pursuant to the MRA allows for the holder to:

- (a) carry out exploration for mineral within the boundaries of the licence by all approved methods permitted under a mineral authority in accordance with a lodged and approved plan;
- (b) test for, and evaluate the feasibility of, mineral production.
- (c) may be granted for a period of up to 15 years, and may be renewed; and
- (d) must not exceed 100 sub-blocks in area.

The holder of an EPM must, immediately upon discovery of any mineral of commercial value in what appears to be significant quantities within the boundaries of the EPM, report to the Minister the fact of that discovery and such other particulars as the Minister may subsequently require. An EPM does not authorise the production of minerals.

Exploration Permit Land Access

During the term of an EPM, the holder may enter onto any part of land within the area of the exploration permit minerals (EPM) for the purpose of conducting preliminary, non-surface disturbing activities with appropriate prior notification.

If the permit holder seeks to enter for the purpose of conducting advanced exploration activities, they must first negotiate a Conduct and Compensation Agreement with the Landholder. Where agreement for access cannot be reached with underlying landowners and stakeholders as required by law, application may be made to the Land Court of Queensland to determine disputes.

Permit	Project	Compensation Agreements	Expiry
EPM 26464	Mt Jesse	N/A	
EPM26560	Gunnawara	N/A	
EPM 26883	Mt Pluton Base	N/A	

Conditions of an EPM

Conditions are imposed on granted licences, and generally include conditions relating to the environment, payment of rates, fees and charges, minimum expenditure or work provisions, and exclusions. Where licence conditions are not complied with, the holder may be subject to disciplinary action or the EPM may not be renewed at the expiry of current term.

Each EPM is subject to conditions, that the holder:

- (a) carry out such programs of exploration works as are approved from time to time and in accordance with the MRA;
- (b) pay rental as prescribed;
- (c) deposit any bond from environmental rehabilitation as required by the Minister from time to time;
- (d) must when, and in the form required, give to the Minister annual progress, and final technical and expenditure reports, (accompanied by documents and materials as prescribed) detailing the EPM holder's activities;
- (e) carry out environmental restoration of the damage caused on the EPM (such as repairing and capping drill holes to acceptable norms) pursuant to a relevant Environmental Authority issued by the Department of Environment and Science;
- (f) where the lease is reduced in area, remove, and make good all plant and equipment;
- (g) not obstruct or interfere with any right of access by any authorised persons in respect of the land;
- (h) prior to termination of the EPM, remove all equipment and plant on all in the land comprised in the EPM unless otherwise authorised;
- (i) comply with the mandatory provisions of the land access code;
- (j) comply with the MRA and any other relevant legislation and regulations; and
- (l) comply with such other conditions as may be imposed.

Native Title and Cultural Heritage

Native Title

Australian legislation recognises the rights and interests of Indigenous people in relation to traditional law and customs.

The *Native Title Act 1993* (Cth) (**Native Title Act**) sets out specified processes that must be followed for any 'future act' on land or waters that would affect native title rights and interests. Applications for most resource authorities are considered future acts and are subject to these native title processes.

Most resource authority applications will require a native title process, except in cases where native title has been extinguished or if the land subject to native title is less than 10% of the tenement area. The following Native Title interests have been identified in relation to the Queensland Tenements:

Tenement	Native Title Process	Granted	Native Title Party
EPM 26464	Expedited	NTPC Grant	No native title party at time of grant
EPM 26560	Expedited	NTPC Grant	No native title party at time of grant
EPM 26883	Expedited	NTPC Grant	Less than 10% native title - excluded from area of permit.

Cultural Heritage

Conditions may be imposed requiring aboriginal cultural heritage surveys to be conducted and areas of aboriginal cultural significance to be identified and isolated. In some cases, pursuant to relevant agreements, monitoring mineral activities may be required by relevant aboriginal groups. The *Aboriginal Cultural Heritage Act 2003* (Qld) and *Torres Strait Islander Cultural Heritage Act 2003* (Qld) require anyone who carries out a land - use activity to exercise a duty of care. Land users must take all reasonable and practicable measures to ensure their activity does not harm Aboriginal or Torres Strait Islander cultural heritage.

The duty of care applies to any activity where Aboriginal, or Torres Strait Islander cultural heritage is located. This includes cultural heritage located on freehold land and regardless of whether or not it has been identified or recorded in a database. Consultation with the Aboriginal or Torres Strait Islander party for an area may be necessary if there is a high risk that the activity may harm Aboriginal or Torres Strait Islander cultural heritage. Cultural heritage would only be required to be addressed when exploration is about to commence.

Encumbrances

Mortgages, Caveats and Third-Party Interests

There are no registered mortgages, caveats or third-party interests on the permits subject to this report.

Assignments

It is possible under the provisions of *section 151 (1) of The MR Act 1989* to assign the registered interest in a granted Exploration Permit. Pursuant to *Section 151 of the MRA 1989, (1)* the holder of an exploration permit desirous of assigning the holder's interest in the exploration permit shall apply to the chief executive for the Minister's approval to that exercise and shall furnish to the chief executive such information with respect thereof as the Minister requires.

The permits subject to this report are all undergoing assignment from BMAX Holdings Pty Ltd to companies' subsidiary to MIJ Holdings Pty Ltd.

Permit	Current Holder	Transferee Holder	Project	Area sbks
EPM 26464	BMAX Holdings Pty Ltd	Mt Jesse Pty Ltd	Mt Jesse	4
EPM 26560	BMAX Holdings Pty Ltd	Gunnawara Pty Ltd	Gunnawara	11
EPM 26883	BMAX Holdings Pty Ltd	Mt Pluton Base Pty Ltd	Mt Pluton	6

Exploration Permit Rent

Pursuant to *section 138(1) of MRA 1989*, rent is payable on an EPM. The rent on each of the Queensland Tenements is as follows:

Tenement	Project	Area sbks	Rent Due	Current rent	Current rate
EPM 26464	Mt Jesse	8	05-10-2021	\$1,341.60	\$167.70*
EPM 26560	Gunnawara	11	23-11-2021	\$1,844.70	\$167.70*
EPM 26883	Mt Pluton	6	07-03-2022	\$1,006.20	\$167.70*

*Rent rate as at 1 September 2021

Renewal of Exploration Permits

Pursuant to *section 147 (1) of the MRA 1989* Application for renewal of exploration permit the holder of an exploration permit may, within the renewal period, apply to the chief executive for a renewal of the permit. Pursuant to *section 147A(1) of the MRA*, the Minister may renew an exploration permit if the Minister is satisfied of each of the following:

(a) the holder of the permit has:

(i) observed and performed all the covenants and conditions applying to the permit and required to be observed and performed by the holder; and

(ii) complied with the MRA in relation to the permit.

(b) the activities proposed to be carried out during the renewed term are appropriate and acceptable.

(c) the financial and technical resources available to the holder to carry out the proposed activities during the renewed term are appropriate; and

(d) the public interest will not be adversely affected by the renewal.

Renewals must be lodged no more than 6 months before the current term expires and no later than 3 months before the current term of the permit expires. A new work program must be provided together with justification to DoR as to why the renewal should be granted with a statement of financial and technical capability and evidence of financial and technical capability. If the holder has complied with the work program; expenditure conditions and relinquishment schedule or submitted variations to the work programs when the conditions have not been complied with, then the renewal will be approved.

Permit	Status	Expiry Date
EPM 26464	Renewal lodged for assessment	05-10-2021
EPM 26560	Renewal lodged for assessment	23-11-2021
EPM 26883	Granted	07-03-2023

Security

Pursuant to section 144 of the MRA and policy 01/2018, security is required to be paid on grant of a permit or licence or on renewal or on application for a variation. The following security applies:

Permit	Security Assessed	Paid
EPM 26464	\$500	\$500
EPM 26560	\$500	\$500
EPM 26883	\$500	\$500

Environmental Authority

Pursuant to the *Environmental Protection Act 1994* (Qld), Permit holders are required to hold a current Environmental Authority (EA) and lodge annual environmental authority fees by the due date and lodge the annual returns for the previous year by the due date.

Standard conditions pursuant to sections 276 of the MRA, and sections 101, 103, 104 and 311 of the *Environmental Protection Act 1994* (Qld), have been imposed in relation to any Crown land portions underlying the licence, which has been granted predominantly for private land. Each EA is subject to the standard conditions contained in the Eligibility Criteria for Exploration and Mineral Development Projects Code. These conditions must be complied with in carrying out activities on the Tenements. The standard conditions are the minimum operating requirements an environmental authority holder must comply with:

- (a) The mining activity does not, or will not, at any one time, cause more than 10ha of land to be significantly disturbed;
- (b) the mining activity is not, or will not be, carried out in a category A environmentally sensitive area or a category B environmentally sensitive area;
- (c) the mining activity is not, or will not be, carried out under an environmental authority under which either of the following is, or is to be, authorised:
 - (i) an environmentally relevant activity to which a section of schedule 2 of the Environmental Protection Regulation 2008 (Qld) applies and for which there is an aggregate environmental score; or
 - (ii) a resource activity, other than a mining activity, that is an ineligible ERA;
- (d) the mining activity is not, or will not be, carried out in a strategic environmental area, unless:
 - (i) the mining activity is authorised under an environmental authority for a mining activity relating to a mining claim, an environmental authority for a mining activity relating to an exploration permit or an environmental authority for a mining activity relating to a mineral development licence; or
 - (ii) the mining activity involves alluvial mining and is, or will be, carried out at a place that is not in a designated precinct in a strategic environmental area; or

- (iii) the mining activity involves clay pit mining, dimension stone mining, hard rock mining, opal mining or shallow pit mining and is, or will be, carried out at a place that is not in a designated precinct in a strategic environmental area.

(e) the mining activity does not, or will not, at any one time, cause more than 5000m² of land to be disturbed at a camp site; and

(f) no more than 20m³ of any substance is, or will be, extracted from each kilometre of a riverine area affected by the mining activity in a year.

Presently both EPM 26560 and 26883 are held on EA BRMN0022 whilst held by BMAX Holdings Pty Ltd. A de-amalgamation application has been lodged with the Department of Environment and Science to separate the Permits to enable transfer of the Permits to separate entities.

Permit	EA Number	EA Fee Due Date	EA Amount	EA Type
EPM 26464	EA0001478	24 November	\$712	Standard
EPM 26560	BRMN0022	24 November	\$712	Standard
EPM 26883	TBA (pending de-amalgamation)	24 November	\$712	Standard

All Environmental Authorities are current and paid up to date.

Environmentally Sensitive Areas

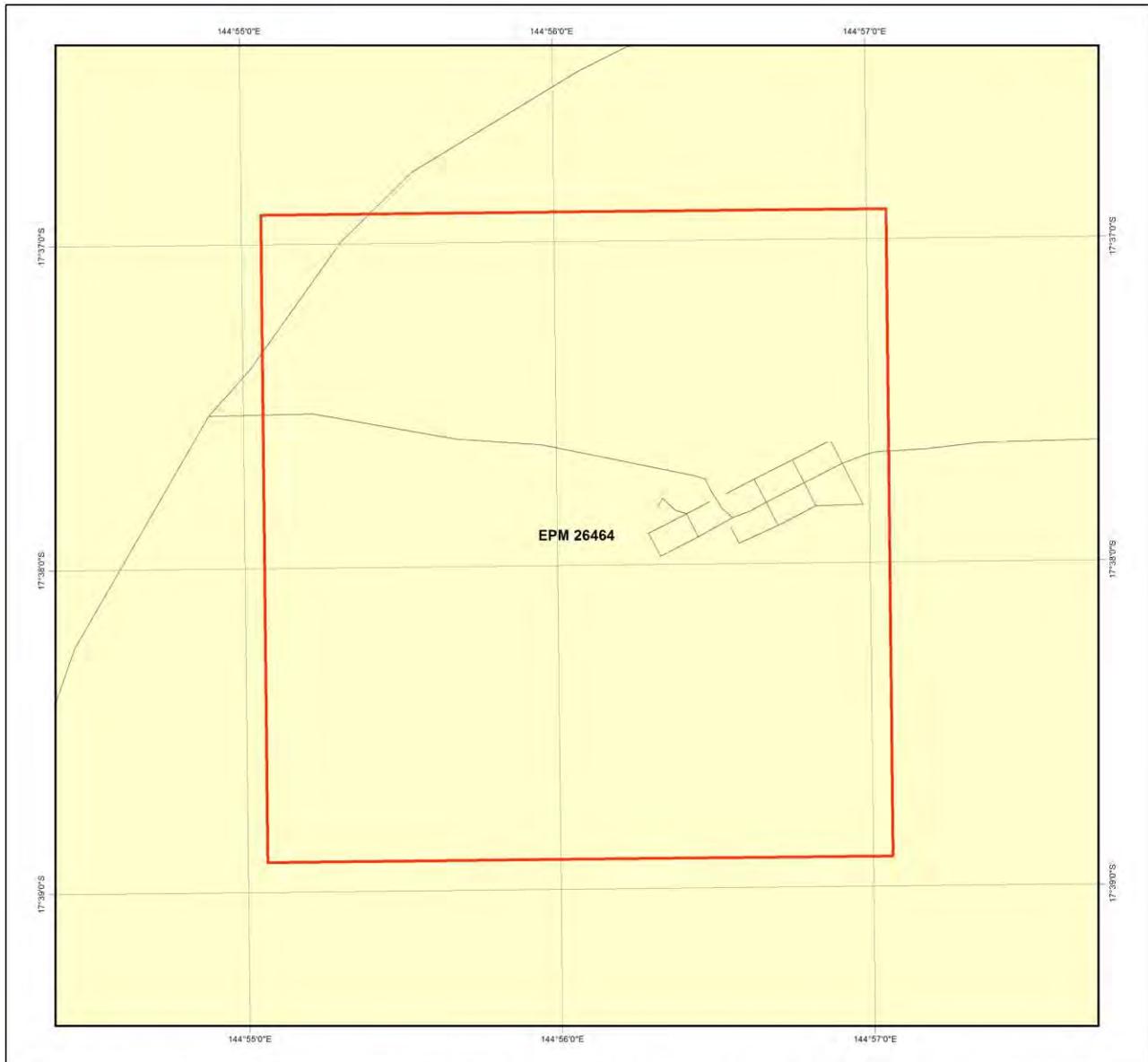
Pursuant to the *Environmental Protection Act (1994) (Qld)* and section 13A of the Eligibility criteria for exploration and mineral development projects, the holder of the environmental authority must not carry out activities in a category A or B environmentally sensitive area. Activities involving machinery must not be carried out within 1km of a category A environmentally sensitive area or within 500m of category B environmentally sensitive area.

Prior to carrying out activities in a category C environmentally sensitive area, consult with the relevant administering authority and the Environmental Protection Agency. If it is determined through the consultation that additional conditions are necessary, the holder must comply with those conditions.

If you want to conduct exploration activities within these buffer zones, an application to amend the existing standard Environmental Authority to a variation Environmental Authority can be submitted to work within the buffer zones. A search has indicated that there are no Category A or B or C environmentally sensitive areas located within the EPM 26464 and 26883. A category B environmentally sensitive area is located within EPM 26560. The State Heritage Place is recorded as Gunnawarra Homestead.

Gunnawarra Homestead Heritage Information.

Also known as	Gunnawarra Mount Garnet
Classification	State Heritage
Register Status	Entered
Date Entered	21 October 1992
Type	Pastoralism: Homestead
Themes	2.1 Exploiting, utilising and transforming the land: Exploring, surveying and mapping the land
	2.3 Exploiting, utilising and transforming the land: Pastoral activities
	6.1 Building settlements, towns, cities and dwellings: Establishing settlements and towns
	6.4 Building settlements, towns, cities and dwellings: Dwellings
	8.5 Creating social and cultural institutions: Sport and recreation
Construction Periods	1878–1908, Gunnawarra Homestead (1878 - 1908)
	1878–1908, Gunnawarra Homestead - Homestead - main residence (1878 - 1908)
	unknown, Gunnawarra Homestead - Residential accommodation - Lagoon House (unknown -)
Historical Period	1870s–1890s Late 19th century
Location	
Address	Gunnawarra Road, Mount Garnet
Co-ordinates	-17.94767973, 145.16537654



ENVIRONMENTALLY SENSITIVE AREAS - Mining Activities

- Selected Exploration Permit Mineral (EPM)
- CATEGORY A**
- National Parks
- Conservation Parks
- Forest Reserves
- Special Wildlife Reserve
- Wet Tropics World Heritage Area
- Great Barrier Reef Marine Park Area
- Marine Parks other than General Use Zones
- CATEGORY B**
- Queensland Heritage Register Places
- Ramsar Sites
- Cultural Heritage Registered Areas and DLA's other than Stanbroke
- Special Forestry Areas
- Seaward Side of Highest Astronomical Tide
- Fish Habitat Areas
- Coordinated Conservation Areas
- Endangered Regional Ecosystems - regrowth and remnant (Biodiversity Status)
- General Use Zones of Marine Parks
- Marine Plants
- CATEGORY C**
- Nature Refuges
- Resources Reserve
- State Forests
- Timber Reserves
- River Improvement Areas
- Stanbroke DLA
- Coastal Management District
- Dams and Weirs
- OTHERS**
- Towns
- Roads
- Repealed Wild River Nominated Waterways
- Repealed Wild River Preservation Areas
- Repealed Wild River High Preservation Areas
- Mahogany Glider Habitat
- Directory of Important Wetlands
- Queensland



This product is projected into GDA 1994 MGA Zone 55

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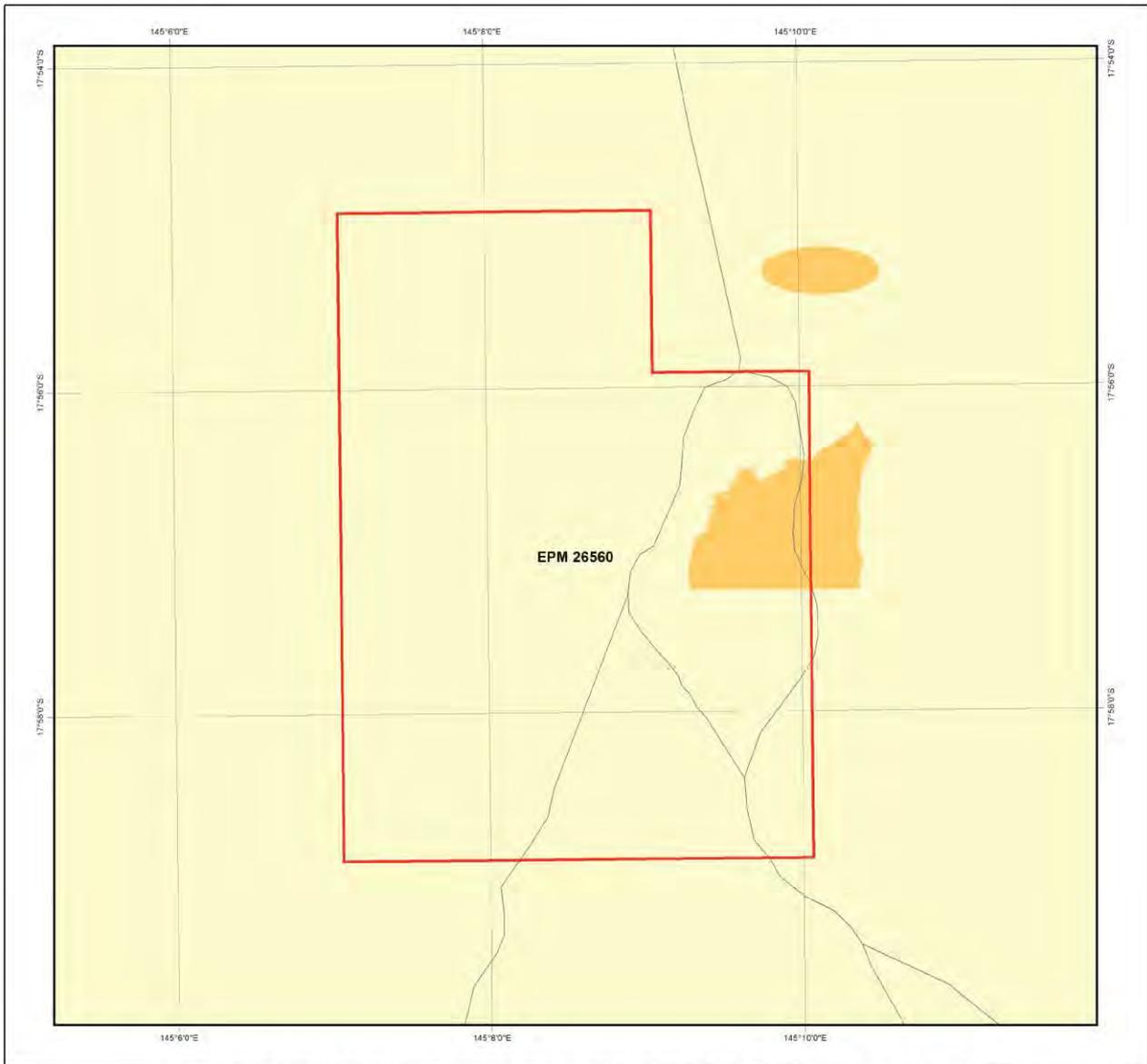
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The user should note that some boundaries and indicated values are ambient and may change over time (e.g. regional ecosystem boundaries and conservation status, watercourse mapping etc).

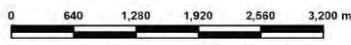
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ENVIRONMENTALLY SENSITIVE AREAS - Mining Activities

- Selected Exploration Permit Mineral (EPM)
- CATEGORY A**
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- Conservation Parks
- Forest Reserves
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- Wet Tropics World Heritage Area
- Great Barrier Reef Marine Park Area
- Marine Parks other than General Use Zones
- CATEGORY B**
- Queensland Heritage Register Places
- Ramsar Sites
- Cultural Heritage Registered Areas and DLA's other than Stanbroke
- Special Forestry Areas
- Seaward Side of Highest Astronomical Tide
- Fish Habitat Areas
- Coordinated Conservation Areas
- Endangered Regional Ecosystems - regrowth and remnant (Biodiversity Status)
- General Use Zones of Marine Parks
- Marine Plants
- CATEGORY C**
- Nature Refuges
- Resources Reserve
- State Forests
- Timber Reserves
- River Improvement Areas
- Stanbroke DLA
- Coastal Management District
- Dams and Weirs
- OTHERS**
- Towns
- Roads
- Repealed Wild River Nominated Waterways
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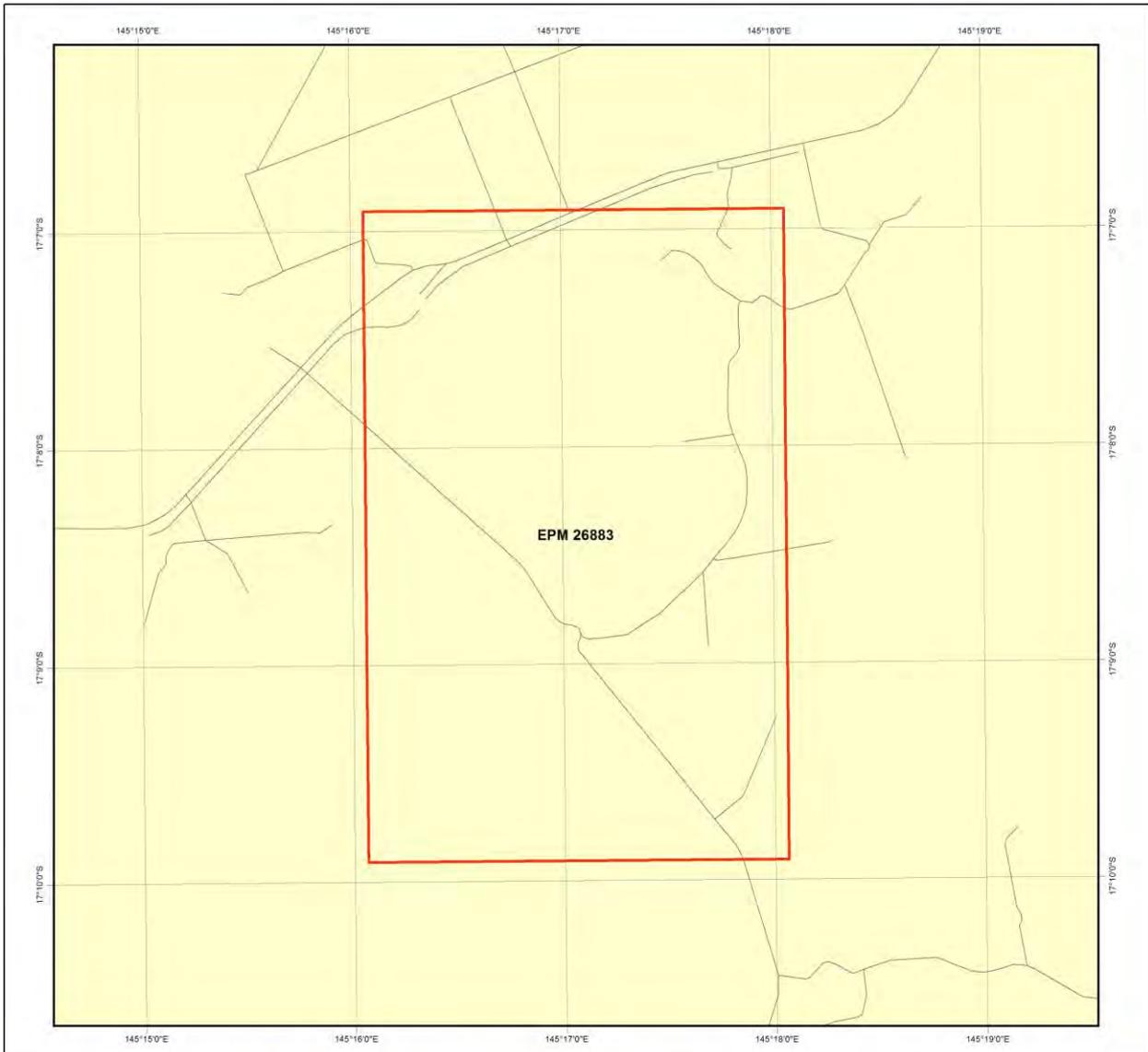
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EPM 26560 – Environmentally Sensitive Area Map



ENVIRONMENTALLY SENSITIVE AREAS - Mining Activities

- Selected Exploration Permit Mineral (EPM)
- CATEGORY A**
- National Parks
- Conservation Parks
- Forest Reserves
- Special Wildlife Reserve
- Wet Tropics World Heritage Area
- Great Barrier Reef Marine Park Area
- Marine Parks other than General Use Zones
- CATEGORY B**
- Queensland Heritage Register Places
- Ramsar Sites
- Cultural Heritage Registered Areas and DLA's other than Stanbroke
- Special Forestry Areas
- Seward Side of Highest Astronomical Tide
- Fish Habitat Areas
- Coordinated Conservation Areas
- Endangered Regional Ecosystems - regrowth and remnant (Biodiversity Status)
- General Use Zones of Marine Parks
- Marine Plants
- CATEGORY C**
- Nature Refuges
- Resources Reserve
- State Forests
- Timber Reserves
- River Improvement Areas
- Stanbroke DLA
- Coastal Management District
- Dams and Weirs
- OTHERS**
- Towns
- Roads
- Repealed Wild River Nominated Waterways
- Repealed Wild River Preservation Areas
- Repealed Wild River High Preservation Areas
- Mahogany Glider Habitat
- Directory of Important Wetlands
- Queensland



0 475 950 1,425 1,900 2,375 m

This product is projected into GDA 1994 MGA Zone 55

Information presented on this product is distributed by the Queensland Government as an information source only. While every care is taken to ensure the accuracy of this data, The State of Queensland makes no statements, representations or warranties about the accuracy, reliability, completeness or suitability of any information contained in this product.

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NOTE TO USER: Themes presented in this map are indicative only. Field survey may be required to verify the 'true' spatial extent and value. Not all environmentally sensitive areas are presented in this map. A user should refer to the particular circumstances relevant to their situation to assess the 'completeness' of themes provided.

The user should note that some boundaries and indicated values are ambient and may change over time (e.g. regional ecosystem boundaries and conservation status, watercourse mapping etc).

The user should be aware that due to multiple overlapping themes/layers present, some themes/layers may be obscured by others. Ordering in the Legend does not accurately reflect the order by which themes/layers are displayed.

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EPM 26883 – Environmentally Sensitive Area Map

Constrained Land

Some areas of Queensland are not available for exploration, mining, or production. Others may be available but have a range of conditions and or restrictions placed on them. Generally, all land except the following can be subject to a resource authority:

- (a) national parks;
- (b) conservation parks;
- (c) restricted areas where an exploration permit application may be prohibited;
- (d) Commonwealth land where an act excludes mining; and
- (e) high preservation areas and nominated waterways including declared wild rivers

Exploration in a State Forest is allowed pursuant to the *Nature Conservation Act 1992* (QLD) unless the area has been excluded from the grant of the Permit. State Forest areas are specific to land parcels. The underlying landholder will be the Department of Environment & Science and a conduct and compensation agreement will be required prior to the commencement of high impact exploration activities.

As described in the environmentally sensitive areas, the State Heritage Place – Gunnawarra Homestead is considered to be constrained land.

Financial Surety

Financial Assurance is held against the two current environmental authorities. BRMN0022 is currently under assessment for de-amalgamation to facilitate the transfer of EPM 26560 and 26883 to separate entities.

In accordance with the schedule of rehabilitation costs cited in the Eligibility criteria and standard conditions for exploration and mineral development projects, each permit area has been assessed as category 1 – low risk and an amount of \$2,500 is held as surety against the corresponding environmental authority.

TOTAL AREA OF DISTURBANCE	REHABILITATION TYPES	
	LOW RISK Simple straightforward rehabilitation. Successful rehabilitation of analogous sites has previously been achieved	HIGH RISK Difficult rehabilitation (e.g. dispersive soils, steep topography, remoteness, sensitive areas, etc.)
Category 1 — Less than 1 hectare	\$2,500	\$5,000
Category 2 — 1 to 4 hectares	\$10,000	\$20,000
Category 3 — 4 to 10 hectares	\$20,000	\$40,000

Form 3: Eligibility criteria and standard conditions for exploration and mineral development projects

Commonwealth Government Approval

Commonwealth government approval under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) will be required where proposed activities constitute a 'controlled action'. This is applicable whether or not the activities are likely to have a significant impact on Matters of National Environmental Significance (**MNES**). We have not been provided with any environmental reports, impact assessments, or ecology reports regarding the potential impact of activities under the Permits on MNES. To our knowledge, there has been no assessment as to whether development within the area of the Permits may trigger the need for EPBC Act approval.

Exclusions

Pursuant to *section 132 of the MRA*, any current Mining Claim; Mineral Development Licence or Mining Lease at the time of Lodgement of an application for an Exploration Permit, is excluded from the grant of the Exploration Permit.

Permit	Exclusion
EPM 26464	N/A
EPM 26560	MDL 515, ML 20649
EPM 26883	N/A

Reporting

Annual Activity Reports and Expenditure Statements are required one month after the anniversary date of the granted tenement. All Annual Activity Reports and Statements of Expenditure have been submitted when required.

The following expenditure commitments and actual expenditure have been sources from the Department of MyMinesOnline site:

EPM 26464

	Report Type	Year	Year End	Proposed	Exploration	Non-exploration	Expenditure Percentage	Life of Permit
<input type="radio"/>	Annual	4	05/10/2021	\$8,500				
<input type="radio"/>	Annual	3	05/10/2020	\$5,500	\$6,800		123%	
<input type="radio"/>	Annual	2	05/10/2019	\$8,500	\$25,000	\$1,800	294%	
<input type="radio"/>	Annual	1	05/10/2018	\$5,500	\$25,300	\$0	460%	

EPM 26560

	Report Type	Year	Year End	Proposed	Exploration	Non-exploration	Expenditure Percentage	Life of Permit
<input type="radio"/>	Annual	4	23/11/2021	\$17,000				
<input type="radio"/>	Annual	3	23/11/2020	\$11,000	\$12,000		109%	
<input type="radio"/>	Annual	2	23/11/2019	\$23,250	\$28,000	\$0	120%	
<input type="radio"/>	Annual	1	23/11/2018	\$18,000	\$26,500	\$0	147%	

EPM 26883

	Report Type	Year	Year End	Proposed	Exploration	Non-exploration	Expenditure Percentage	Life of Permit
<input type="radio"/>	Annual	4	07/03/2023	\$0				
<input type="radio"/>	Annual	3	07/03/2022	\$0				
<input type="radio"/>	Annual	2	07/03/2021	\$8,000	\$25,000		312%	
<input type="radio"/>	Annual	1	07/03/2020	\$7,000	\$28,000	\$0	400%	

For renewals and grants after the commencement of the NROLA on 25 May 2020, expenditure commitment is not required.

Work Program Commitments

Pursuant to operational policy 5/2012, all work programs must be adhered to, and your work program performance will be assessed against each component for the work program for the period. From the records provided, the Company has been compliant with the work program commitments on the granted EPM, in that they have completed the approved work program as required:

EPM 26464

Year 3 – 06 October 2019 – 05 October 2020

Sub-blocks 4

Activity	Total expenditure
Rock Chip Sampling 20 samples General Sample Assays 20 samples Vehicle Hire Costs 5 days	\$5,500

Year 4 – 06 October 2020 – 05 October 2021

Sub-blocks 4

Activity	Total expenditure
Geological Mapping 15 days Consultancy Cost 10 days Metallurgical studies 5 days Vehicle Hire Costs 10 days	\$8,500

Renewal application for years 5 – 6 is currently under assessment awaiting approval.

EPM 26560

Year 3 – 24 November 2019 – 23 November 2020

Sub-blocks 11

Activity	Total expenditure
Ground reconnaissance Sampling program Assays Vehicle hire	\$11,000

Year 4 – 24 November 2020 – 23 November 2021

Sub-blocks 11

Activity	Total expenditure
Ground reconnaissance Mine planning Assays Vehicle hire	\$17,000

Renewal application for years 5 – 6 is currently under assessment awaiting approval.

EPM 26883

Year 3 – 08 March 2021 – 07 March 2022

Sub-blocks 6

Activity	Total expenditure
Reconnaissance mapping. Desktop, technical review. Rock chip sampling (~30 samples) and XRF analysis. Mixed type drilling, 3 holes.	\$19,000

Year 4 – 08 March 2022 – 07 March 2023

Sub-blocks 4

Activity	Total expenditure
Reconnaissance mapping. Desktop, technical review. Rock chip sampling (~30 samples) and XRF analysis. Mixed type drilling, 3 holes. Resource evaluation, resource modelling.	\$21,000

Relinquishment Requirements

Pursuant to *Section 139 of the MRA* (periodic reduction in land), it is a condition that each permit holder must reduce the permit area by 50% after the commencement of NROLA on 25 May 2020. This means that the first renewal after commencement of NROLA will not require a reduction in area, however, on the second renewal term, the company must drop 50% of the permit area. The following relinquishment schedules now applies:

Permit	First Renewal Post NROLA	Reduction due date	Percentage due
EPM 26464	06-10-2021	06-10-2026	50% - 2 sub-blocks
EPM 26560	24-11-2021	24-11-2026	50% - 6 sub-blocks
EPM 26883	08-03-2021	08-03-2026	50% - 3 sub-blocks

Content Statement

The information in this report has been provided based upon the information available through the various sources listed and is true and correct to the best of our knowledge.

The report provides that the Permits are in good standing and that all required rent, security, financial surety and reporting are compliant at the time of preparing the document.



Claire Mackney
Managing Director
Avoca Tenement Consulting Pty Ltd

13 DETAILS OF THE OFFERS

13.1 Public Offer and Minimum Subscription

Pursuant to this Prospectus, the Company offers up to 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (before costs of the offers) (Public Offer), comprising:

- (a) the Priority Offer: Shareholders with a registered address in Australia or New Zealand (Eligible Shareholders) can apply for parcels of Shares with a value of \$2,000, \$5,000, \$7,500, \$10,000 and \$15,000 (with a scale back at the **Company's discretion if required**). **Eligible Shareholders can apply under the Priority Offer** by completing the Priority Offer Application Form that is available from the share registry; and
- (b) the General Offer: an offer to the general public (General Offer).

The minimum level of subscription for the Public Offer is \$4,500,000 (Minimum Subscription). No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

All Shares offered under the Public Offer will rank equally with existing Shares. The rights and liabilities of the Shares offered under this Prospectus are summarised at section 14.1.

The details of how to apply for Shares under the Public Offer are set out at section 13.10.

Shareholders approved the issue of Shares under the Public Offer on 24 September 2021.

13.2 Vendor Offer

Pursuant to this Prospectus, the Company also offers 9,000,000 Shares to Bmax (or its nominee/s) in consideration for the acquisition of all of the issued capital of MIJ Holdings (Vendor Offer). All Shares issued pursuant to Vendor Offer will rank equally with the existing Shares on issue. Please refer to section 14.1 for further information regarding the rights and liabilities attaching to the Shares. If the Public Offer does not proceed, the Vendor Offer will not proceed.

Shareholders approved the issue of Shares under the Vendor Offer on 24 September 2021.

13.3 The DOCA Contributions Share Offer

Pursuant to this Prospectus, the Company offers 7,066,230 Shares, with 2 attaching Options for every Share issued, at a price of \$0.20 per Share to the DOCA Contributors (or their nominee/s) in satisfaction of the DOCA Contributions (DOCA Contributions Share Offer).

All Shares issued pursuant to the DOCA Contributions Share Offer will rank equally with the existing Shares on issue.

Shareholders approved the issue of Shares under the DOCA Contributions Share Offer on 24 September 2021.

Refer to section 13.10 for details of how to apply for Shares under the DOCA Contributions Share Offer. If the Public Offer does not proceed, the DOCA Contributions Share Offer will not proceed.

13.4 The DOCA Reimbursements Share Offer

Pursuant to this Prospectus, the Company also offers 420,000 Shares, with 2 attaching Options for every Share issued, at a price of \$0.20 per Share to the DOCA Contributors (or their nominee/s) in satisfaction of the DOCA Reimbursements (DOCA Reimbursements Share Offer).

All Shares issued pursuant to the DOCA Reimbursements Share Offer will rank equally with the existing Shares on issue.

Shareholders approved the issue of Shares under the DOCA Reimbursements Share Offer on 24 September 2021.

Refer to section 13.10 for details of how to apply for Shares under the DOCA Reimbursements Share Offer. If the Public Offer does not proceed, the DOCA Reimbursements Share Offer will not proceed.

13.5 Pre-RTO Loans Share Offer

Pursuant to this Prospectus, the Company also offers 2,000,000 Shares at a price of \$0.20 per Share to the Pre-RTO Lenders (or their nominee/s) in satisfaction of the Pre-RTO Loans (Pre-RTO Loans Share Offer).

All Shares issued pursuant to the Pre-RTO Loans Share Offer will rank equally with the existing Shares on issue.

Shareholders approved the issue of Shares under the Pre-RTO Loans Share Offer on 24 September 2021.

Refer to section 13.10 for details of how to apply for Shares under the Pre-RTO Loans Share Offer. If the Public Offer does not proceed, the Pre-RTO Loans Share Offer will not proceed.

13.6 Conditions of the Public Offer, including Minimum Subscription

The Public Offer is conditional upon:

- (a) the Company complying with Chapters 1 and 2 of the Listing Rules for re-admission to ASX;
- (b) completion of the Acquisition; and
- (c) the Company raising a minimum of \$4,500,000 under the Public Offer.

The Company will not issue any Shares pursuant to the Public Offer until these conditions are satisfied.

The Company will, if the conditions of the Public Offer are not met, not proceed with the Public Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act. If the Public Offer does not proceed, none of Vendor Offer or the Debt Conversion Offers will proceed.

13.7 Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition is a change to the nature and scale of the Company's activities, and as a result ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules and obtain prior Shareholder approval for the Acquisition. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company was suspended from trading from the date that the Administrators were appointed to the Company (25 September 2019) and will not be reinstated until the Company has satisfied the Conditions of the Public Offer, including re-compliance with Chapters 1 and 2 of the Listing Rules and any conditions ASX imposes on reinstatement.

On 24 September 2021 Shareholders approved the Acquisition.

There is a risk that the Company may not be able to meet the requirements for re-quotations on the ASX. If the Conditions of the Public Offer are not satisfied, including the Company does not receive conditional approval for re-quotations on ASX, then the Company will not proceed with the Public Offer and will repay all Application Monies received (without interest). If the Public Offer does not proceed, none of the Vendor Offer or the Debt Conversion Offers will proceed. The Company will apply to ASX no later than seven days from the date of this Prospectus for Official Quotation of the Shares issued under the Public Offer pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest. Neither ASX nor ASIC take responsibility for the contents of this Prospectus.

The fact that ASX may grant Official Quotation of the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

13.8 Oversubscriptions

The Company may take oversubscriptions, subject to the Corporations Act and Listing Rules.

13.9 Underwriting

The Public Offer is not underwritten.

13.10 Application for Shares

(a) Public Offer

Applications for Shares under the Public Offer may be made by completing a valid Application Form accompanying this Prospectus in accordance with the instructions set out in the Application Form. Applicants should note there are two separate Application Forms: (i) a personalised Priority Offer Application Form for Eligible Shareholders; and (ii) a General Offer Application Form for all other Applicants under the General Offer. Applications for Shares must be made in accordance with the instructions on the relevant Application Form.

Priority Offer Applications

If you wish to participate in the Priority Offer, you can view your personalised Priority Application Form online at www.arkmines.com.au and follow the instruction on the form to make payment by BPAY® or by electronic fund transfer before 5.00pm (AEST) on the Closing Date.

To pay by BPAY, please follow the instructions on your personalised Priority Offer Application Form available online at www.arkmines.com (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY if you are the holder of an account with an Australian branch of a financial institution that supports BPAY transactions. Alternatively, to pay by electronic transfer, complete the application form and email to ian@mitchellandsmith.com.au.

You should instruct payment well before 5.00pm (AEST) on the Priority Offer Closing Date to enable its receipt before the Priority Offer closes.

If you pay by BPAY, your Priority Offer Application Form is not required to be lodged with the Registry and you will be deemed to have made the declarations set out in this Prospectus and on the Priority Offer Application Form.

An original, completed and lodged Priority Offer Application Form, together with payment by BPAY® or EFT, constitutes a binding and irrevocable offer

to subscribe for the number of Shares as your payment will pay for in full. The Priority Offer Application Form does not need to be signed to be valid. If the Priority Offer Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Priority Offer Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the Application Monies received. Applications under the Priority Offer can only be made in the registered name of the Eligible Shareholder. If you wish to apply for Shares under the Public Offer in a name other than the Eligible Shareholder, you must apply using a General Offer Application Form or use the online application process for the General Offer set out below.

General Offer Applications

General Offer Application for Shares under the General Offer must be made using the General Offer Application Form which accompanies this Prospectus. Completed General Offer Application Forms and accompanying payment by BPAY or electronic funds transfer for the full amount of the application, being \$0.20 per Share multiplied by the number of Shares applied for, must be received by the Share Registry before 5.00pm (AEST) on the Closing Date.

(b) Bmax Offer

The Bmax Offer is an offer to Bmax (and their nominee/s) only. Only Bmax (and their nominee/s) may apply for Shares under the Bmax Offer. A personalised application form will be issued to Bmax (and their nominee/s), together with a copy of this Prospectus (Vendor Offer Application Form). The number of Shares to be offered to Bmax (and their nominee/s) will be outlined in Vendor Offer Application Form provided by the Company.

The Company will only provide Vendor Offer Application Form to Bmax (and their nominee/s). In order to apply for the issue of Shares under Vendor Offer, you must complete and return the personalised Vendor Offer Application Form to: Company Secretary, Ark Mines Limited at ian@mitchellandsmith.com.au by no later than 5.00pm (WST) on the Closing Date.

If you do not return your Vendor Offer Application Form by this time and date, then the Vendor Offer will lapse.

(c) Debt Conversion Offers

The Debt Conversion Offers are offers to the DOCA Contributors, the Directors, and the Pre-RTO Lenders only. Only the DOCA Contributors, the Directors, and the Pre-RTO Lenders may apply for Shares under the Debt Conversion Offers.

A personalised application form will be issued to the DOCA Contributors, together with a copy of this Prospectus (DOCA Contributions Share Offer Application Form). The number of Shares to be offered to the DOCA Contributors will be outlined in the DOCA Contributions Share Offer Application Form provided by the Company. The Company will only provide the DOCA Contributions Share Offer Application Form to the DOCA Contributors. In order to apply for the issue of Shares under the DOCA Contributions Share Offer, you must complete and return the personalised DOCA Contributions Share Offer Application Form to: Company Secretary, Ark Mines Limited at ian@mitchellandsmith.com.au by no later than 5.00pm on the Closing Date.

If you do not return your DOCA Contributions Share Offer Application Form by this time and date, then the DOCA Contributions Share Offer will lapse.

A personalised application form will be issued to the Directors in satisfaction of the DOCA Reimbursements, together with a copy of this Prospectus (DOCA Reimbursements Share Offer Application Form). The number of Shares to be offered to the Directors will be outlined in the DOCA Reimbursements Share Offer Application Form provided by the Company. The Company will only provide the DOCA Reimbursements Share Offer Application Form to the DOCA Contributors. In order to apply for the issue of Shares under the DOCA Reimbursements Share Offer, you must complete and return the personalised DOCA Reimbursements Share Offer Application Form to: Company Secretary, Ark Mines Limited at ian@mitchellandsmith.com.au by no later than 5.00pm on the Closing Date.

If you do not return your DOCA Reimbursements Share Offer Application Form by this time and date, then the DOCA Reimbursements Share Offer will lapse.

A personalised application form will be issued to the Pre-RTO Lenders, together with a copy of this Prospectus (Pre-RTO Loans Share Offer Application Form). The number of Shares to be offered to the DOCA Contributors will be outlined in the DOCA Contributions Share Offer Application Form provided by the Company. The Company will only provide the Pre-RTO Loans Share Offer Application Form to the Pre-RTO Lenders. In order to apply for the issue of Shares under the Pre-RTO Loans Share Offer, you must complete and return the personalised Pre-RTO Loans Share Offer Application Form to: Company Secretary, Ark Mines Limited at ian@mitchellandsmith.com.au by no later than 5.00pm on the Closing Date.

If you do not return your Pre-RTO Loans Share Offer Application Form by this time and date, then the Pre-RTO Loans Share Offer will lapse.

13.11 Applicants outside Australia

The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed to enable them to acquire Shares.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

13.12 Foreign selling restrictions

No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia (other than the Priority Offer to Eligible Shareholders).

13.13 Application money held in trust

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

13.14 Allocation and allotment of Shares

Shares offered Eligible Shareholders have a priority allocation for Shares applied for, **in parcels of \$2,000, \$5,000, \$7,500 and \$15,000 (with scale back at the Directors' discretion if required)**.

The Directors will allocate the remaining Shares not subscribed for under the Priority Offer at their sole discretion to unrelated parties with a view to ensuring an appropriate Shareholder base for the Company going forward (subject to any regulatory requirements).

There is no assurance that any Applicant under the General Offer will be allocated any Shares, or the number of Securities for which they have applied. The Company reserves the right to reject any Application or to allocate to any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations.

In the event an Application is not accepted or accepted in part only, the relevant portion of the application moneys will be returned to Applicants, without interest.

The Company reserves the right not to proceed with the Offers or any part of it at any time before the allocation of the Shares to Applicants. If the Offer or any part

of it is cancelled, all application moneys, or the relevant application moneys will be refunded.

The Company also reserves the right to close the Offers or any part of it early, or extend the Offers or any part of it, or accept late Applications Forms either generally or in particular cases.

The allotment of Shares to Applicants will occur as soon as practicable after Application Forms and application moneys have been received for the minimum subscription of Shares being offered and all other conditions satisfied, following which statements of shareholding will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their statement of shareholding will do so at their own risk.

No shares will be allocated in a manner inconsistent with section 606 of the Corporations Act.

13.15 CHESS

The Company participates in the Clearing House Electronic Subregister System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company will not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASPL will send a CHESS statement.

13.16 Restricted securities

The Company believes that the following Securities will be subject to escrow:

Number of Securities	Percentage of the Company's issued Share capital ¹	Escrow period
11,011,250	25.54%	24 months from date of quotation
7,475,000	17.34	12 months from the date funds for which securities were issued were received ²

1 Assuming minimum subscription.

2 Subject to satisfying ASX as to the timing and receipt of funds, **and at ASX's** discretion.

None of the Shares offered under the Public Offer will be treated as restricted securities and will be freely transferable from their date of allotment.

13.17 Further information

Any queries regarding the Offers should be directed to the Company Secretary on+61 2 9232 5444 or ian@mitchellandsmith.com.au.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offers.

14.1 Shares

Full details of the rights and liabilities attaching to the Shares are:

- (a) **detailed in the Company's Constitution a copy of which can be inspected**, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(c) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

(d) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

(e) Future issues of securities

Subject to the Corporations Act, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper, and a share may be issued with preferential or special rights.

(f) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any recognized or electronic system established or recognized by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(g) Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act.

Shareholders may requisition meetings in accordance with the Corporations Act.

(h) Election of Directors

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded down if necessary, to the nearest whole number) must retire from office. Any other Director who, if they do not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more annual general meetings since he or she was last elected to office must also retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) determine how the division is to be carried out as between the members or different classes of members.

(k) Shareholder Liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is re-admitted to the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

14.2 Options

Following are terms of the Options to be issued to the DOCA Contributors and the Directors upon the Acquisition completing:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.20 per Option (Exercise Price).

(c) Expiry Date

Each Option will expire at 5:00 pm (EST) on or before the date that is two years from issue (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of

the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date or such other period as allowed by the Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

15.1 Employee share incentive plan

The Company will, subject to the Listing Rules, implement an employee share incentive plan. Following is a summary of the material terms of the Employee share incentive plan:

(a) Eligible Participants

An eligible participant is a person invited by the Board to be an eligible participant including full, part time, casual or prospective employees, contractors, directors of the Company or an associated body corporate of the Company (Eligible Participant).

(b) Incentive Securities

Incentive Securities are Incentive Options, Incentive Performance Rights, Shares or any other security issued under the Incentive Scheme.

(c) Purpose

The purpose of the Incentive Scheme is to provide an incentive for the Eligible Participants to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development; and ensure that securities issued under the Incentive Scheme are issued in accordance with the Corporations Act and the Listing Rules.

(d) Offers

The Board may from time to time and in its absolute discretion determine that an Eligible Participant may participate in the Incentive Scheme and the extent of that participation.

(e) Lapse

If at any time before the exercise of an Incentive Option or an Incentive Performance Right, a holder ceases to be an Eligible Participant:

- (i) by reason of death, disability, bona fide redundancy or other reason approved by the Board, and at that time the Eligible Participant continued to satisfy any other relevant conditions of the grant, the Board may determine the extent to which the Incentive Securities held by the Eligible Participant vest; and a period of time for the Incentive Options or Incentive Performance Rights to be exercised; or
- (ii) for any other reason, all Incentive Options or Incentive Performance Rights held by the Eligible Participant will automatically lapse unless the Board otherwise determines within 30 days of the holder ceasing to be an Eligible Participant.

- (f) Shares issued on exercise of Incentive Options and Incentive Performance Rights

Each Incentive Option or Incentive Performance Right entitles the holder to one fully paid ordinary share on exercise of the Incentive Option or Incentive Performance Right.

- (g) Limitation on number of Securities

If the Company is relying on the ASIC relief to issue Incentive Securities then, as at the date of this Notice, Shares to be received on the exercise of all Incentive Securities under the Incentive Plan when aggregated with the number of Shares issued during the previous 5 years under any employee share plan of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.

- (h) Restrictions on trading

The Board may determine, prior to the offer of the relevant Incentive Securities, any restrictions upon trading in Shares issued under the Incentive Scheme or issued pursuant to the exercise of an Incentive Security.

- (i) Administration of the Incentive Scheme

The Incentive Scheme will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Incentive Scheme as it considers appropriate.

- (j) Operation

The operation of the Incentive Scheme is subject to the ASX Listing Rules and the Corporations Act.

15.2 No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the proposed future operations of the Company do not have an operating history from which reliable forecasts can be made. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the **Company's** financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ

materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

15.3 Electronic prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

15.4 Interests of experts and advisors

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Atkinson Corporate Lawyers has acted as legal adviser to the Company in connection with the Offer and its application to list on ASX. The Company will pay approximately \$40,000 to Atkinson Corporate Lawyers for these services. Atkinson Corporate

Lawyers has not provided any services to the Company in the 2 years prior to the date of this Prospectus.

Avoca Tenement Consulting Pty Ltd has prepared the Tenement Report in this Prospectus. In respect of this work, the Company will pay approximately \$4,000. Avoca Tenement Consulting Pty Ltd has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

Moore Australia Corporate Finance (WA) Pty Limited has prepared the Investigating **Accountant's Report in this Prospectus**. In respect of this work, the Company will pay approximately \$11,000. Moore Australia Corporate Finance (WA) Pty Limited has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

Minnelex Pty Limited has prepared the Independent Technical Assessment Report in this Prospectus. In respect of this work, Minnelex Pty Limited has been paid \$15,000. Minnelex Pty Limited has not provided any services to the Company in the 2 years prior to the date of this Prospectus.

15.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role	Statement/Report
Moore Australia Corporate Finance (WA) Pty Limited	Investigating Accountant	Investigating Accountants' Report section 9.

Name	Role	Statement/Report
Moore Australia Audit (WA)	Auditor for Ark Mines Limited	Inclusion of reference to the Ark Mines Audited Financial Information.
Minnelex Pty Limited	Independent Geologist	Independent Technical Assessment Report, section 11.
Avoca Tenement Consulting Pty Ltd	Tenement manager	Tenement Report, section 12.
Atkinson Corporate Lawyers	Solicitors to the Offers	Nil.
Next Registries	Share Registry	Nil.
Bmax Pty Limited	Holder of the tenements	Certain statements contained in the Independent Technical Assessment Report in section 11.

15.6 Expenses of the Offer

The total expenses of the Offer are estimated to be up to \$476,000, consisting of the following:

ASX fee	73,000
ASIC fee	3,000
Legal, Accounting, Geologist, and due diligence expenses	85,000
Shareholder Meeting / Share Registry Costs/ Printing	5,000
Capital raising	310,000
Total	476,000

These expenses have or will be paid by the Company.

16 **DIRECTORS' RESPONSIBILITY AND CONSENT**

The Directors and Proposed Director state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgment of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

Each Director and Proposed Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 27 September 2021

Signed for and on behalf of

Ark Mines Ltd by



Roger Jackson

Director

17 GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$ or A\$	Australian dollars unless otherwise stated.
Acquisition	has the meaning given in section 5.1.
Acquisition Agreement	has the meaning given in section 5.1.
AEST	Australian Eastern Standard Time as observed in Sydney.
AHK Audited Financial Information	the audited financial information of the Company for financial years ended on 31 December 2016, 2017 and 2018.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for Shares pursuant to this Prospectus.
Application Form	the application form accompanying this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Auditors	auditors of the Company appointed or to be appointed in accordance with the Corporations Act.
Board	the board of Directors.
Closing Date	the date set out in section 2 as may be extended by the Company.
Company or AHK	Ark Mines Limited (ACN 123 668 717).
Completion	has the meaning given in section 5.1.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

Debt Conversion Offers	means the DOCA Contributions Share Offer, the DOCA Reimbursements Share Offer and the Pre-RTO Loans Share Offer.
Debt Conversions	has the meaning given in section 5.11.
Director	a director of the Company and, where the context requires, the proposed Director.
DOCA	means the deed of company arrangement entered into by the Company on 28 January 2020.
DOCA Contributions	has the meaning given in section 5.1.
DOCA Contributions Share Offer	has the meaning given in section 13.3.
DOCA Contributions Share Offer Application Form	the application form as provided with a copy of this Prospectus relating to the DOCA Contributions Share Offer.
DOCA Contributors	has the meaning given in section 5.11.
DOCA Reimbursements Share Offer	has the meaning given in section 13.4.
DOCA Reimbursements Share Offer Application Form	the application form as provided with a copy of this Prospectus relating to the DOCA Reimbursements Share Offer.
Eligible Shareholders	Shareholders of the Company with a registered address in Australia or New Zealand.
General Meeting	the annual general meeting of Shareholders held on 24 September 2021 which approved, among other things, the Transaction.
General Offer	of offer to persons under Public Offer, other than under the Priority Offer.
Listing Rules	the listing rules of the ASX.
MIJ Holdings	MIJ Holdings Pty Limited.
Mineral Resources Act	Mineral Resources Act 1989 (Qld).

Offers	includes the Public Offer, Vendor Offer and the Debt Conversion Offers and an Offer means any one of them.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share on the terms in section 14.2.
Pre-RTO Lenders	has the meaning given in section 5.11.
Pre-RTO Loans	has the meaning given in section 5.11.
Priority Offer	has the meaning given in section 13.1.
Priority Offer Application Form	the blue application form accompanying a copy of this Prospectus relating to the Priority Offer.
Proposed Director	the proposed Director of the Company, Benjamin Emery, who will be appointed to the Board upon re-admission of the Company to ASX.
Prospectus	this prospectus and includes the electronic prospectus.
Public Offer	a capital raising the Company proposes to undertake to raise between \$4.5 million and \$5 million, inclusive of a Priority Offer to existing Shareholders with a registered address in Australia or New Zealand.
Registered Office	the Company's registered office from time to time.
Reimbursements	has the meaning given in section 5.11.
Share	a fully paid ordinary share in the Company.
Share Registry	means Next Registries Pty Ltd.
Shareholder	the registered holder of Shares in the Company.
Tenement Report	the independent tenement report in section 12.
Transaction	has the meaning given in section 5.1.
Vendor Offer Application Form	the application form as provided with a copy of this Prospectus relating to Bmax Offer.

Vendor or Bmax	Bmax Holdings Pty Limited (ACN 155 625 835).
Vendor or Bmax Offer	has the meaning given in section 13.2.
Vendor Shares	means the Shares to be issued to Bmax under the Acquisition.