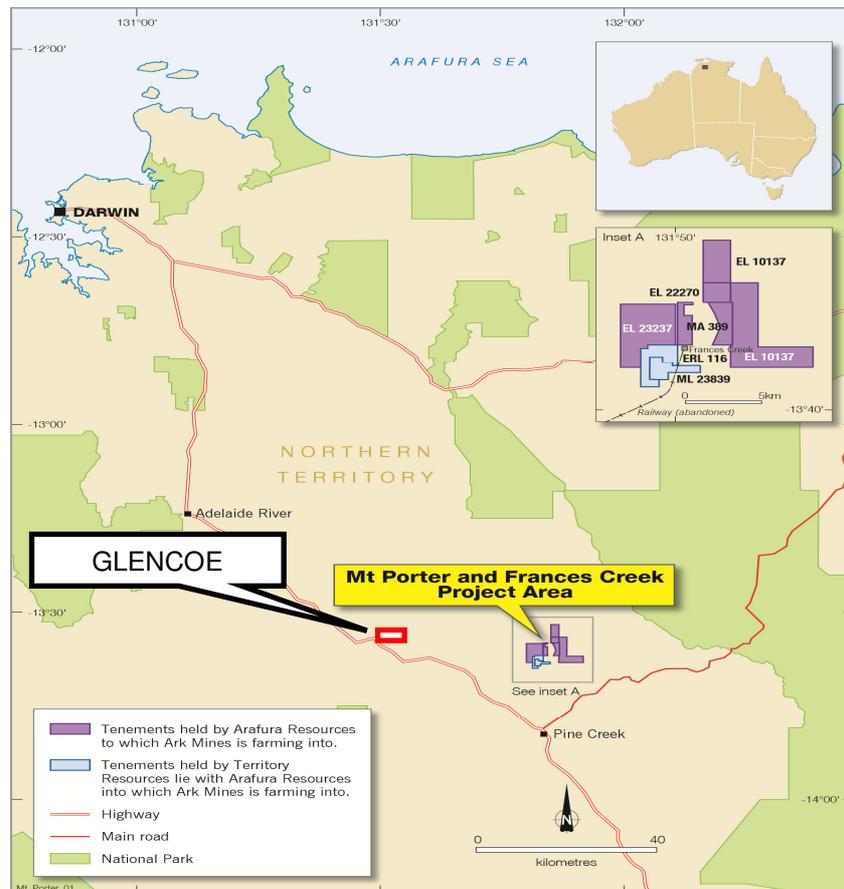


# Ark Mines to acquire Glencoe gold project

**Sydney, 13 October 2015:** The Board of Ark Mines Ltd (**ASX: AHK**) is pleased to advise that it has signed a binding heads of agreement with NT Mining Operations Pty Ltd (formerly Crocodile Gold Australia Operations Pty Ltd) ACN 136 525 990 (**Newmarket**) for the purpose and with the intention of acquiring the Glencoe gold project located in the Northern Territory (**Glencoe Project**).

AHK's Managing Director, Roger Jackson said: "Ark's strategy is to assemble a portfolio of advanced gold projects capable of near term mining and mine them as soon as is practicable. Glencoe is an exciting addition to our Mt. Porter project and we intend to keep growing our gold portfolio through development of the prospective Frances Creek project and other potential acquisitions in our region of interest."

The Glencoe Project comprises mining lease 29679 and all the information concerning that lease including the results of extensive drilling, metallurgical and resource definition work, specific details of which are provided below. It is located in the Pine Creek mineral field, approximately 120km SSE of Darwin, in the Northern Territory and lies between the towns of Pine Creek and Adelaide River to the southeast of Darwin (see Figure 1 below).



**Figure 1: Location of the Glencoe Project**

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The material terms of the proposed acquisition, which is subject to AHK being satisfied with the results of due diligence, are that AHK will pay to Newmarket:

- the sum of \$75,000.00 for the Glencoe Project, which sum shall include bonds and other securities already paid or provided by Newmarket;
- the sum of \$100,000.00 upon the commencement of Glencoe Project mining; and
- a royalty of 1% from Glencoe Project gold sales.

Highlights of the Glencoe Project include:

- ✓ 704,000 tonnes @1.9g/t Au with 253,000 tonnes @2.2 g/t Au oxide and 451,000 tonnes @ 1.7 g/t Au (see Table A below). This mineral resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC);
- ✓ metallurgical test work has shown high gravity/cyanidation recoveries of 95.85% (Ammtec 2012). Reagent consumptions were relatively low, with lime and cyanide consumption of 1.01 and 0.77 kg/t, respectively;
- ✓ bulk sample has been undertaken and reconcilable;
- ✓ pre strip completed;
- ✓ the oxide zone is 30m below surface;
- ✓ the deposit is proximal to the other AHK tenements and within trucking distance of Newmarket's Union Reef Gold Mill;
- ✓ a strike length of 800m (from 3,300mE to 4,100mE) with potential for extensions;
- ✓ the deposit being located in three mineralized zones, the largest of which is a round 700m in strike length, 100m down dip and up to 15m in width;
- ✓ sealed road access;
- ✓ flat and easily accessible terrain; and
- ✓ no existing entitlements.

<b>Table A: Glencoe Deposit April 2006 Mineral Resource Estimate</b>							
<b>1.0g/t Cut-off, High Grade Cut 20g/t</b>							
<b>Zone</b>	<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>		
	<b>Tonnes</b>	<b>Cut Au</b>	<b>Tonnes</b>	<b>Cut Au</b>	<b>Tonnes</b>	<b>Cut Au</b>	<b>Cut Au</b>
	<b>T</b>	<b>g/t</b>	<b>T</b>	<b>g/t</b>	<b>T</b>	<b>g/t</b>	<b>Ounces</b>
Oxide	208,000	2.1	45,000	2.4	<b>253,000</b>	<b>2.2</b>	<b>17,700</b>
Fresh	174,000	2.0	277,000	1.6	<b>451,000</b>	<b>1.7</b>	<b>25,200</b>
<b>Total</b>	<b>382,000</b>	<b>2.1</b>	<b>322,000</b>	<b>1.7</b>	<b>704,000</b>	<b>1.9</b>	<b>42,900</b>
<b>Previous Estimates</b>							
ERA 1989					730,000	2.3	54,000

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The mineral resource estimate set out in Table "A" was prepared by Resource Evaluations Pty Ltd and first announced by Australasia Gold Limited on 24 July 2006. It has not been updated since to comply with the JORC Code 2012 on the basis that the information contained therein has not materially changed since it was last reported.

The following information was obtained from reports by ERA (1988 and 1989) and ORES (2003):

- The lithologies of the project area comprise a sequence of inter-bedded sandstones and siltstones of the Mount Bonnie Formation. The lithologies strike approximately East/West at Glencoe and form a series of moderately folded anticlines and synclines.
- Mineralisation within the Glencoe Project is related to sub-vertical shears proximal to anticlinal crests of folds within the sediments. Certain lithologies (particularly carbonaceous mudstones) show pronounced dilation in the fold hinges and give rise to saddle reef mineralisation extending out from the main shear zones. Subsidiary fracture systems and cross trending tensional features combined with minor intrusions of lamprophyre dykes produce an irregular network of mineralisation concentrated in 4 zones and a number of smaller peripheral occurrences. These zones are shown in Figure 2 below.

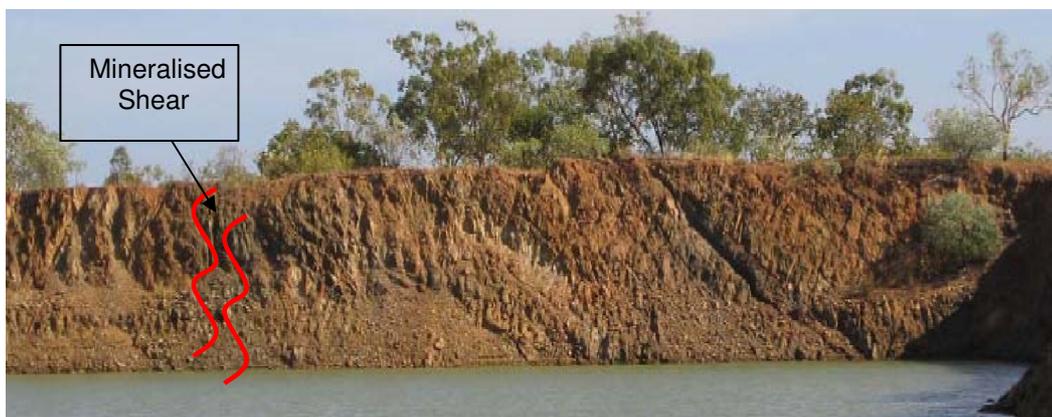


Figure 2: Anticline in Folded sediments at West Pit

- The main mineralised shears typically strike East/West with a variable dip from vertical to 60° to the south. The thickness of mineralisation varies from 2-10m wide and typically forms continuous pods in excess of 100m long. Some of the shears in the South and North pits appear to have a North/West orientation of 315° which slightly conflicts the previous models. This trend requires further validation though pit mapping or drilling if possible.
- Mineralisation in the shears shows a strong association with quartz veining, brecciation and chloritisation with gold occurring intergranular to sulphides pyrite, arsenopyrite and chalcopyrite. Late stage chlorite alteration with associated shearing and brecciation overprint earlier veining and appears to enhance gold grades.

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- The saddle reef mineralisation is less continuous than the main shears, with mineralisation typically extending for 20-80m along strike and only 10-20m laterally. The mineralisation is usually 2-3m thick with local thickening of up to 5m. Quartz veining and chlorite alteration are also strongly associated with the mineralisation in the saddle reefs.
- Surface laterite mineralisation covers much of the area at Glencoe especially above the main shears. This mineralisation is typically low grade 0.5-2.0g/t and only 1-2m thick.
- Minor basic igneous intrusives occur around the deposit these are found as lamprophyre dykes sub-parallel to the main shears in the region. These dykes exhibit varying degrees of micaceous and chloritic alteration and contain significant sulphide and gold when mineralised.
- Moderate weathering has occurred in the region to oxidise sulphides in the upper 30m of the deposit.

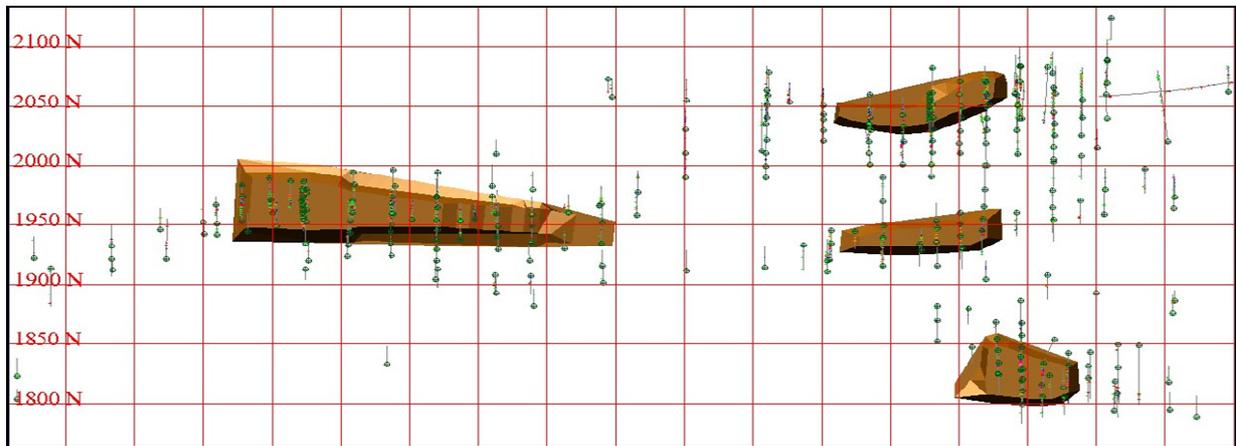


Figure 3: Extent of Existing Glencoe Bulk sample and pre strip Open Pits

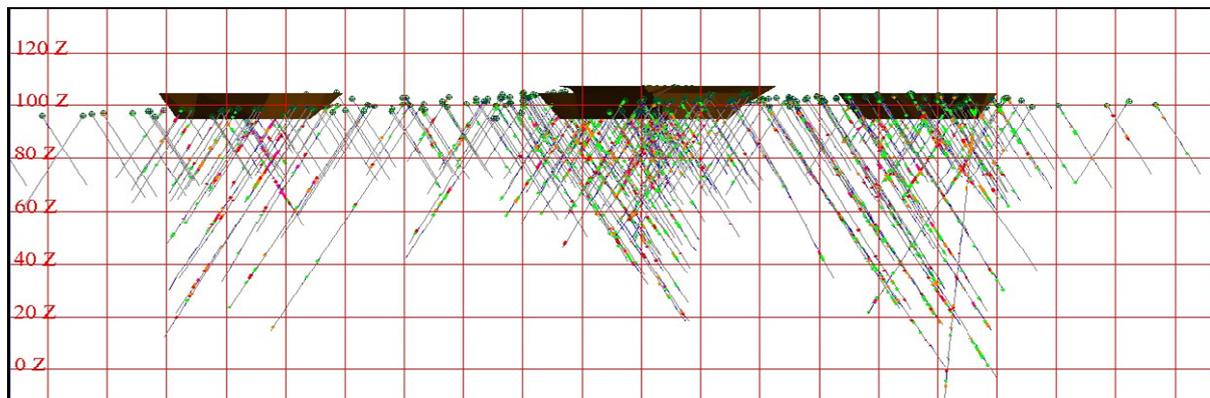


Figure 4: Cross Section Projection of Existing Glencoe Bulk sample and pre strip Open Pits

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Figure 5: View of West Pit - Looking West

### About Ark Mines

ARK is a Sydney based company now readying itself for near term gold production, from assets in the Northern Territory. The company's aim is to establish itself as a medium level gold producer producing gold from tenements in the Northern Territory, developing prospective tenements in the Northern Territory and New South Wales and to acquire other prospective gold projects in Australia.

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

*The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Roger Jackson BSc, Grad Dip Fin Man, Dip Ed, AICD, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on. Mr Jackson is a director of the Company. Mr Jackson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jackson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*