



## Ark signs MoU to process Mt. Porter ore

**Sydney, 23 June 2015:** The Board of Ark Mines Ltd (**ASX: AHK**) is pleased to advise that it has signed a Memorandum of Understanding (**MoU**) with Crocodile Gold Australia Operations Pty Ltd ACN 136 525 990 (**Crocodile**), to process ore from Mt. Porter into gold bullion during the course of 2016.

AHK's Managing Director, Roger Jackson stated:

*"The MoU is a significant leap forward in Ark's plans to produce gold. This marks the start of a very busy and exciting period for Ark during which we will be: fund raising; preparing for Mount Porter mining; continuing our drilling at Frances Creek; and also looking to secure other gold mining projects near Pine Creek. We plan on using Mount Porter profits to self-fund other exciting gold projects, including Frances Creek and Babinda in N.S.W."*

Crocodile:

- is a wholly owned subsidiary of Crocodile Gold Corp., a public company listed on the Toronto Stock Exchange in Canada (**TSX: CRK**); and
- owns and operates the Union Reefs carbon-in-leach processing mill (**Mill**) located near Pine Creek, in the Northern Territory, approximately 10km from Mount Porter.

The Mill:

- has a capacity of 2.2 million tonnes per annum or 6,000 tonnes per day;
- was designed by Kinhill and constructed by Acacia Resources and AngloGold; and
- is capable of recovering coarse gold by gravity concentration and fine gold by cyanide leaching and absorption on activated carbon.

The MoU is intended to facilitate:

- the immediate submission of a Mining Management Plan for Mt. Porter;
- mutual due diligence activities;
- the co-development of a processing plan for Mount Porter; and
- negotiation, execution and exchange of a final and binding processing agreement in respect of which AHK and Crocodile contemplate processing up to 550,000 tonnes of Mt. Porter ore, expected to produce in the region of 27,000 gold ounces, which outputs have been drawn from the Whittle optimisation study prepared by CSA Global Pty Ltd (**CSA Model**) – see AHK announcement dated 12 May 2015.

Significant arrangements already in place to support Mt. Porter mining in 2016 include:

- ✓ the Mt. Porter Mining Lease 22389 (**ML**), which remains in good standing;
- ✓ extensive metallurgy reports prepared by Independent Metallurgical Operations Ltd – see AHK announcements dated 12 and 26 May 2015 and 9 June 2015;
- ✓ the CSA Model;



- ✓ a Public Environmental Report prepared by Martinick Bosch Sell Pty Ltd for Arafura Resources Ltd (**ASX: ARU**);
- ✓ approval under the Environment Protection and Biodiversity Conservation Act 1999 that remains valid up to 31 December 2017; and
- ✓ a Tripartite Deed amongst the Northern Territory, ARU, the Northern Land Council and various native title parties concluded in conjunction with the ML grant, in which relevant ARU interests have now been formally assigned to AHK.

Mt. Porter is a 34,200 gold ounces 2004 JORC resource that AHK is permitted to mine during the continuance of the 2013 Mining, Farmin and Joint Venture Agreement (**Farmin Agreement**) with ARU.

Recent work and results (see previous AHK announcements referenced above) have confirmed the economic viability of mining Mt. Porter. After careful consideration of these results, and applying its own experience of operating the Mill, Crocodile sees potential that the recoveries could be improved from between 72 – 73% to between 75 – 76% through the use of the Mill's grinding circuits that employ hydro-cyclones as sizing devices, which use centrifugal force for separation.

### **About Ark Mines**

Ark Mines Ltd (ASX: AHK) is a publicly listed company with gold tenements including an advanced gold Mining Licence in the Northern Territory. Ark's Exploration Licence (EL) in New South Wales (NSW) lies within the Lachlan Fold Belt. This area is the focus for significant Exploration in NSW and the epicentre of many major poly metallic and precious metal Mines.

#### **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.*