



Ark Signs Toll Treatment Agreement

Sydney, 18 August 2015: The Board of Ark Mines Ltd (**ASX: AHK**) is pleased to advise that it has now concluded negotiations with Newmarket Gold Inc. (**Newmarket Gold**), who's fully owned subsidiary is Crocodile Gold Australia Operations Pty Ltd ACN 136 525 990, and that the parties have executed and exchanged a binding toll treatment agreement for AHK's Mt. Porter gold ore (**Agreement**).

Key terms and conditions of the Agreement include:-

- A term of 18 months after signing, extendable upon the express written agreement of the parties;
- AHK shall be responsible for mining (including rehabilitation) and delivering the Mt. Porter ore to Newmarket Gold for processing. Newmarket Gold shall provide AHK, or its nominated contractors, with such diesel fuel and necessary accommodations reasonably required to undertake mining at Mt. Porter;
- Newmarket Gold shall be responsible for processing the Mt. Porter ore into gold doré and selling the gold doré on a monthly basis;
- Each party shall absorb their own costs and expenses from performing their obligations under the Agreement, such costs and expenses are to be deducted monthly from sales of gold doré. Newmarket Gold's processing costs have been agreed at AUD\$30.00 per ton; and
- AHK and Newmarket Gold will split cash flows from the Mt. Porter mining project after payment of their agreed costs, expenses and royalties. From available net funds, AHK shall receive a 55% payment and Newmarket a 45% payment.

Now that the Agreement has been concluded, AHK intends to focus its activities as follows:-

- prepare and submit a mining management plan (**MMP**) for the mining of Mt. Porter and procure MMP approval as soon as is practicable;
- procure funding to support the MMP process and related working capital; and
- negotiate and document satisfactory agreements with contractors to mine Mt. Porter and deliver ore to Newmarket Gold for processing.



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 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.

About Newmarket Gold Inc.

Newmarket Gold is a Canadian-listed gold mining and exploration company with three 100% owned operating mines across Australia. The Company is focused on creating substantial shareholder value by maintaining a strong foundation of quality gold production, over 200,000 ounces annually, generating free cash flow and maintaining a large resource base as it executes a clearly defined gold asset consolidation strategy. The Company is focused on sustainable operating performance, a disciplined approach to growth, and building gold reserves and resources while maintaining the high standards that the Newmarket Gold core values represent.

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.