



Ark Mines to Purchase NT Farmin Tenements

Sydney, 20 June 2016: The Board of Ark Mines Ltd (**ASX: AHK**) is pleased to advise that AHK has agreed to purchase and Arafura Resources Ltd (**ASX: ARU**) has agreed to sell and assign (**Transaction**) the tenements and gold rights the subject of the Mining, Farmin and Joint Venture Mt. Porter Tenements Agreement dated 14 January 2013 (**Farmin Agreement**) (see further AHK announcements dated 15/1/2013, 13/3/2013, 20/8/2015 and 18/11/2015).

Upon completion of the Transaction, which will require various third party consents, the Farmin Agreement will be terminated.

AHK's Managing Director, Roger Jackson said: *"The purchase of the farmin assets is an excellent outcome for Ark. We thank Arafura for the opportunity to purchase on favourable terms and their vote of confidence in us to take forward their good work. Ark now has the opportunity to further develop its gold inventory in an underexplored and highly prospective gold province and to achieve its ambitions of becoming a significant gold producer, commencing with Mount Porter."*

The tenements and gold rights the subject of the Farmin Agreement, all located in the Northern Territory near Pine Creek (see further Figures 1 and 2 below), comprise:

- Exploration Licence in Retention (ELR) 116 (which immediately surrounds ML23839);
- Mineral Lease (ML) 23839 (known as Mt. Porter);
- Mineral Exploration Licence (EL) 23237 (covering the northern extension of the Mt. Porter anticline); and
- rights to explore for and (subject to necessary approvals) mine gold on tenements north of Pine Creek (**Gold Rights**), owned by:
 - Territory Resources Ltd (comprising ML24727, ML25087, ML25088, ML25529, ML27225, ML27226, ML27228, ML27230 and EL10137); and
 - Frances Creek Pty Ltd (comprising ML27227, ML27229 and MA389).

The purchase price to be paid in cash by AHK for 100%:

- ownership of ELR116, ML23839 and EL23237 (**Tenements**), is \$275,000 (two hundred and seventy-five thousand dollars) plus GST; and
- of the Gold Rights, is \$25,000 (twenty-five thousand dollars) plus GST.

In addition to the cash payments, AHK has agreed to pay ARU a 2.5% royalty on gross sales of gold processed from ore mined from the Tenements and Gold Rights.

AHK:

- is required to make the cash payments on or before 7 September 2016; and
- will raise funds sufficient to pay the purchase price and associated costs and expenses through a share placement, to be arranged through Martin Place Securities in Sydney, which successfully raised \$400,000 for AHK's most recent fund raising (see further AHK announcement dated 18/4/2016).



The agreement for the sale and purchase of the:

- Tenements has been executed and exchanged; and
- Gold Rights is being finalised and expected to be executed and exchanged very soon.

KEY TENEMENT PROJECTS

Mt. Porter Anticline Gold Projects

- 10400 gold deposit
 - Mine ready pending NT Mining Management Plan approval
 - Processing 500,000 tonnes @2.2g/t
 - 76% recovery
 - Proximal to mill
 - 3:1 strip ratio
- 10800 gold project
 - High grade gold target
- 10000 gold project
 - Larger lower grade gold target

Golden Honcho High Grade Gold Projects

- Best AHK 2015 intersections (*refer to AHK Announcement dated 29/10/2015*):
 - 3m @ 13.41 g/t Au, including 1m @ 30.8 g/t Au;
 - 2m @ 12.9g/t Au, including 1m @14.5 g/t Au;
 - 2m @ 6.65g/t Au, including 1m @11.7 g/t Au; and
 - 1m @ 6.42g/t Au.
- Best AHK 2014 intersections (*refer to AHK Announcement dated 29/10/2015*):
 - 2m @ 21g/t Au;
 - 2m @ 11.9g/t Au;
 - 2m @ 10.5g/t Au;
 - 3m @7.5g/t Au; and
 - with 21 other intersections over 1m over 5g/t Au.
- Best ARU 2004 intersections (*refer to AHK Announcement dated 29/10/2015*):
 - 5m @ 19.11g/t Au;
 - 4m @ 47.54g/t Au;
 - 2m @ 10.07g/t Au;
 - 2m @ 13.29g/t Au;
 - 2m @ 11.61g/t Au;
 - 3m @ 10.96g/t Au;
 - 3m @ 10.66 g/t Au;
 - 2m @ 21g/t Au;

- 2m @ 11.9g/t Au;
- 2m @ 10.5g/t Au;
- 2m @ 9.92g/t Au; and
- 3m @ 7.5g/t Au;
- with 30 other intersections over 1m over 5g/t Au.

Figure 1 below – AHK Tenement Locations (Subject of Transactions)

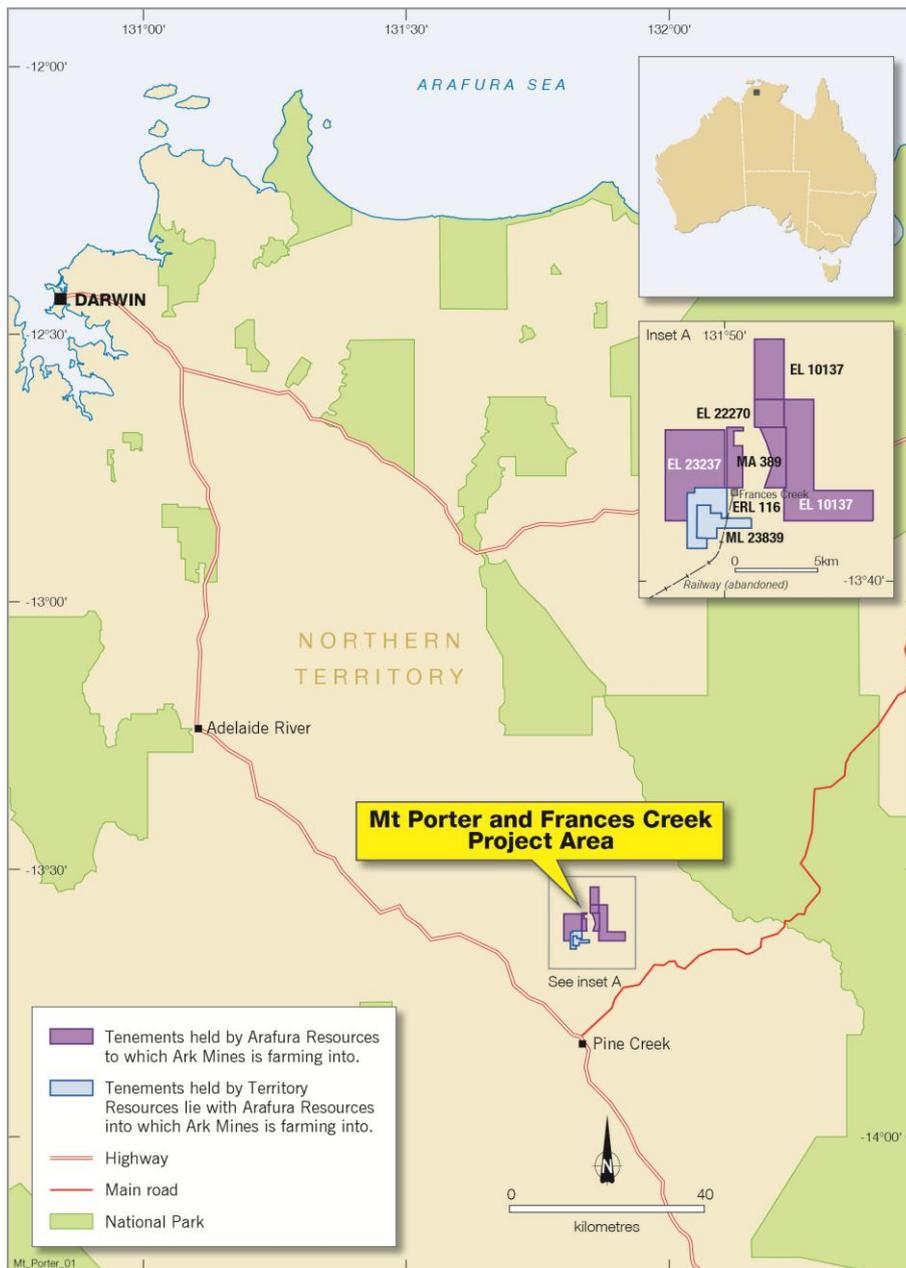
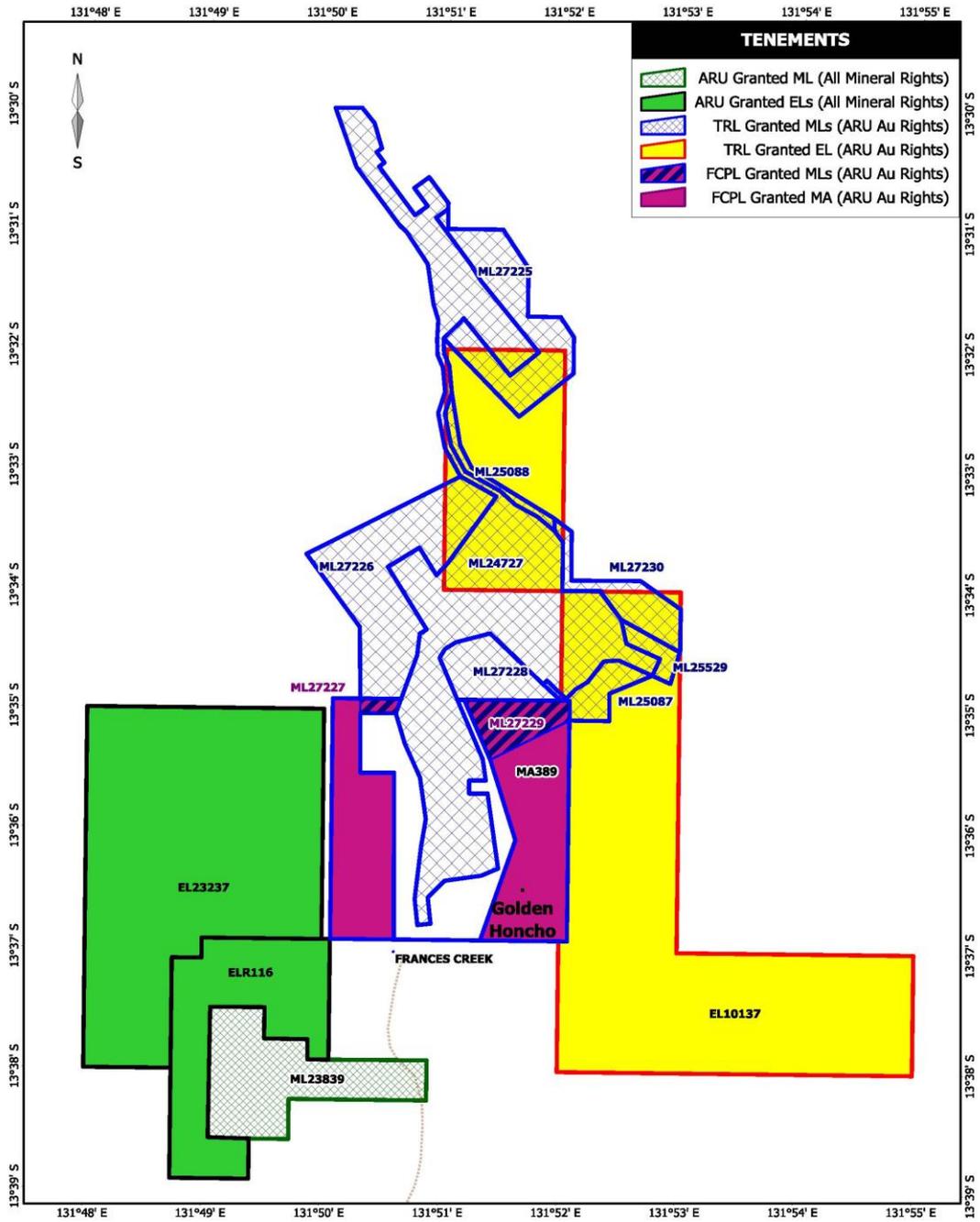


Figure 2 below – Locations Detail of Transaction Tenements and Gold Rights



Ark Mines Ltd
Mt Porter-Frances Creek
Project Map



DRAWN BY: AMETS (www.amets.com.au)
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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 Limited: +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.