



## Mt. Porter Mining Update

**Sydney, 14 June 2017:** The board of Ark Mines Ltd (**ASX:AHK**) is pleased to provide an update concerning its Mt. Porter project in the Northern Territory.

AHK has:

- in place a Toll Treat Agreement with Northern Territory Mining Operations Pty Ltd (**NTMO**), which document is dated 14 November 2016 (**Agreement**). The term of the Agreement is 12 months and expires on 14 November 2017 (**Termination Date**);
- notified NTMO a delivery schedule (**Delivery Schedule**) for ore from Mt. Porter (**MTP**) that contemplates delivery and processing extending beyond the Termination Date; and
- requested an extension of the Agreement to accommodate the Delivery Schedule and is awaiting confirmation from NTMO whether or not the requested extension will be granted.

Given the recent announcement by Kirkland Lake Gold Inc., that it is suspending operations at its Cosmo project, which ore is processed at the same Union Reef mill (**Mill**) where AHK proposes to process MTP ore, AHK is concerned to secure continuing access to the Mill beyond the Termination Date.

Based on the prevailing gold price, mining costs and processing costs AHK has negotiated, an optimised pit design for MTP (undertaken by an independent mining consultant) has been developed. This design supports processing 385kt of MTP ore. To mine, haul and process the referenced tonnage, AHK requires Mill access running into 2018. To mine and process any less material would not be financially optimal.

Provided an Agreement extension can be secured AHK plans to:

- make a further draw down under its Gold Loan Facility. AHK's lender has required the Agreement extension be procured before further funds will be advanced;
- pay the security bond required by the Northern Territory Government (**Bond**);
- commence mining as soon as is practicable thereafter to comply with the Delivery Schedule; and thereafter
- raise sufficient capital to replenish funds used to pay for the Bond.

AHK has identified a mining contractor willing to perform the required work at MTP. The board expects the mining contract to be finalised and executed very soon. These negotiations have taken longer than expected due to the lack of clarity concerning the processing of MTP ore.



## **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 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.*