

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 March 2025

“March quarter activities were led by the ongoing advancement of our flagship Sandy Mitchell Rare Earths project in North Queensland, where drilling to-date has resulted in a Measured resource of 71.8Mt Monazite Equivalent (MzEq) at 1,732ppm – part of a massive broader Exploration Target of 1.3 to 1.5 billion tonnes MzEq (1,286 to 1,903ppm). Ark remains well positioned to add significant additional scale to the project through follow-up drilling that will target the conversion of Exploration Target into an expansion of the Measured resource. In a global market where securing rare earth supply is of growing strategic importance, we were pleased to join a delegation led by the Queensland government to meet with investors in the US and Canada, while also confirming the completion of our US listing on OTCQB market. As we head into the June quarter, discussions with investment partners in both the private and public sector are well advanced, and we look forward to providing more key updates in the coming weeks about our near-term development strategy at Sandy Mitchell and across our Queensland based asset portfolio.”

Roger Jackson, Executive Chairman.

HIGHLIGHTS FOR THE QUARTER

- Receipt of \$290,091 tax refund relating to the Company’s Research and Development activities for the 2024 financial year.
- Successful completion of US listing and commencement of trade in Ark securities on the OTCQB Market under the ticker AHKMF.
 - Facilitates direct access for US investors and provides increased liquidity in the US market.
 - Complements Ark’s strategy to target US end-users for potential offtake agreements, where discussions with strategic investors and development partners are well advanced.
- Commencement of geological mapping and rock chip sampling on Ark’s Pluton Gold project in North Queensland.
- Attendance at the 2025 PDAC Convention in Toronto, where Ark directors were invited to attend as part of a Critical Minerals delegation to the US and Canada led by the Queensland Minister for Natural Resources and Mines, the Hon Dale Last.
- Direct meetings with the Hon Mr Last in connection with the development of Ark’s flagship ‘Sandy Mitchell’ Rare Earth and Heavy Mineral deposit in North Queensland.

Tax Refund

Ark received a tax refund of \$290,091 relating to the Company’s Research and Development activities for the 2024 financial year. The refund is part of the Australian Government’s R&D tax incentive scheme administered by the Australian Taxation Office and AusIndustry under which companies can receive up to a 48.5% refundable tax offset of eligible expenses.

The refund is in connection with eligible R&D activities undertaken by the Company at the world class Sandy Mitchell Rare Earth and Mineral Sands Project in North Queensland, Australia.

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Funds from the tax rebate will be deployed for near-term working capital purposes at Sandy Mitchell, ahead of a planned follow-up drill program which will target the conversion of the existing Exploration Target (refer ASX Announcement 6 November 2024) into an expanded Measured resource of Monazite Equivalent.

ARK has lodged further applications for development funding and grants for the current financial year which are being progressed to provide additional CAPEX costs for development to production of the Company's existing tenements, and, in particular, the Sandy Mitchell Project.

Trading Commenced on OTCQB Under the Ticker AHKMF

During the quarter, Ark Trading commenced on US OTCQB markets under the ticker AHKMF. The Company's directors have continued to observe strong interest among US investors for critical minerals and magnet metals, aligning with the stated policy priority of the United States to secure supply chains for Rare Earth Elements and other strategic metals.

The listing coincides with Ark's advanced discussions with US-based strategic investors and partners, and will provide AHK investors with potential access to new sources of capital and increased liquidity to support the ongoing development of its flagship Sandy Mitchell project.

Information provided by the Company to the ASX will now also be uploaded onto the OTC Markets platform for US investors. No new ordinary shares were issued in connection with the OTCQB listing, and Ark's existing ordinary shares on the ASX or its ability to raise capital on the ASX will not be affected by having the OTCQB facility.

Exploration at Pluton Gold Project

During the quarter, Ark also commenced geological mapping and rock chip sampling at its fully-owned Pluton gold project, amid strong market conditions for gold prices globally. Located in far North Queensland, Pluton is an advanced exploration project with a high potential for gold and other by-product credits such as silver, copper, and molybdenum.

Previous exploration work by CRAE and Australian Gold Resources has confirmed the presence of gold mineralization and identified the Pluton prospect as the best remaining target. The project offers significant potential for further exploration and development, with initial results from the recent mapping and rock chip sampling program expected to be received in the June quarter.

SANDY MITCHELL DEVELOPMENT STRATEGY – KEY NEAR-TERM MILESTONES

- Planning complete for a follow-up drill program to target the conversion of the existing Exploration Target into an expanded Measured resource of Monazite Equivalent.
- Secure investor support for both the near-term drill program and broader project development, where negotiations are well advanced with potential funding partners and the Queensland government.
- Continue with metallurgical and processing optimisation test work at Sandy Mitchell to complement results from drill program.
- Drill results and metallurgical works program to be incorporated into a planned Pre-Feasibility Study (PFS) for Sandy Mitchell, which remains scheduled for completion in 2025.

SAFETY AND ENVIRONMENT FOR THE QUARTER

• Reportable Incidents	Nil
• Medical Treatments	Nil
• LTIs	Nil
• Environmental Incidents	Nil
• Landholder Issues	Nil

EXPLORATION EXPENDITURE SUMMARY FOR THE QUARTER

Table 1: Ark Expenditure Summary for the Quarter

Description	Current Quarter \$A'(000)	Year to Date (9-months) \$A'(000)
Compilation activities	20	101
Geophysical surveys and remote	1	5
Surface exploration	4	51
Drilling	0	62
Other laboratory work	4	27
Advanced prospect testing / resource estimation	7	497
Administration	3	3
Other	0	12
Total	39	758

TENEMENT SUMMARY

Table 2: Ark Tenements

Permit	Transferee Holder	Project	Ownership	Location (refer to Figure 1)
EPM 26464	Mt Jesse Pty Ltd	Mt Jesse	100%	North of Mt Garnet North Queensland
EPM 26560	Gunnawarra Pty Ltd	Gunnawarra	100%	South Of Mount Garnet North Queensland
EPM 26883	Mt Pluton Base Pty Ltd	Mt Pluton	100%	East Of Dimbulah North Queensland
EPM 28013	Ark Mines Ltd	Sandy Mitchell	100%	120km North-West of Chillagoe North Queensland

The Group did not acquire or dispose of any tenements during the quarter.

The Group has not entered into any farm-in agreements.

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CORPORATE

Payments of A\$132,956 were made to related parties during the Quarter. Pursuant to ASX Listing Rule 5.3.5, these payments were made for consulting fees to executive Directors for work done to advance the Company's exploration tenements and Board fees to all Directors to act as directors of the Company. The total of these amounts is shown in Section 6 of the Quarterly Cashflow Report.

SUBSEQUENT EVENTS

As at the date of this report, no material events have occurred post quarter-end.

PREVIOUSLY REPORTED INFORMATION

The information in this announcement references previously reported announcements. The announcements are available to view on the Company's website (www.arkmines.com.au) and on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed.

AUTHORITY FOR RELEASE

This announcement has been approved by the Board of Ark Mines Ltd.



Roger Jackson

Executive Chairman

29 April 2025

Further Information:

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COMPETENT PERSONS STATEMENT

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Roger Jackson, who is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australasian Institute of Geoscientists. Mr Jackson is a shareholder and director of the Company. Mr Jackson has sufficient experience which is relevant to

the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code).

Mr Jackson consents to the inclusion of this information in the form and context in which it appears in this report. Mr Jackson confirms information in this market announcement is an accurate representation of the available data for the exploration areas being acquired.

MINERAL RESOURCE STATEMENT

The resource estimates are classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The Resource estimate was completed by Andrew Hawker of HGS Australia. Mr Hawker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The resource is classified as Indicated. The classification was considered appropriate based on drill spacing, sample intervals, geological interpretation and representativeness of all available assay and density data. The classification reflects the low confidence in short range grade estimations in the model.

EXPLORATION TARGET STATEMENT

The Exploration Target classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The Exploration Target was completed by Daemon de Chaeney of Empirical Earth Science. Mr de Chaeney has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Chaeney consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Ark Mines' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Ark Mines has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Ark Mines makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Ark Mines Ltd

ABN

31 123 668 717

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	6
1.2 Payments for		
(a) exploration & evaluation	(39)	(758)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(298)	(1,059)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	290	290
1.8 Other (Net GST)	27	31
1.9 Net cash from / (used in) operating activities	(20)	(1,487)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(20)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Deposits)	-	(5)
2.6	Net cash from / (used in) investing activities	-	(25)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	200	550
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	200	550

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	207	1,349
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20)	(1,487)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(25)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	550

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	387	387

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	387	207
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	387	207

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	133
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(20)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(20)
8.4 Cash and cash equivalents at quarter end (item 4.6)	387
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	387
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	19.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 Not applicable.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2025

Date:

Roger Jackson
Executive Chairman

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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