

ASX ANNOUNCEMENT

28 July 2025



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 June 2025

"The June quarter was highlighted by another round of key milestones as we advance development at Ark's flagship Sandy Mitchell Rare Earths and Heavy Minerals project in North Queensland. Our strategic share placement received strong support and facilitated the commencement of a comprehensive infill drilling campaign, which has been designed to deliver a significant upgrade to the existing Measured resource of Monazite Equivalent (MzEq). With on-site clearing works close to completion and the drill contract signed, the appointment of IHC Mining to carry out metallurgical improvement works on existing bulk samples will complement the pending drill assay results. We are confident that our near-term drilling and metallurgy programs will further underline the commercial scale of Sandy Mitchell as a leading Australian REE project, with results to be incorporated into a forthcoming Pre-Feasibility Study early next year. Broader interest in the project was reflected by Ark's inclusion in the Queensland government's updated Critical Minerals Prospectus – a summary of the state's investment attractions which will be distributed directly to major industry counterparties in domestic and international markets. Ark remains well-advanced on funding discussions for longer-term project development, and we look forward to providing more exciting updates in the near-term."

Roger Jackson, Executive Chairman

HIGHLIGHTS FOR THE QUARTER

- Successful completion of \$1.5m Placement to professional and sophisticated investors to expedite development at Sandy Mitchell, commencing with infill drilling for planned resource upgrade
- Commencement of detailed metallurgical testing program by specialist consultants IHC Mining, targeting key improvements for both the beneficiation process and mineral separation process for rare earths and heavy minerals at Sandy Mitchell
- Wet season rock chip sampling at Pluton Gold Project returned excellent gold and silver grades, validating historic works programs and supporting additional exploration

Activities post quarter-end

- Contract awarded to Australian Exploration Drilling for planned 2,500m drill program which has been designed to significantly increase the existing Measured mineral resource at Sandy Mitchell
- Completion of archaeological testing, with land-clearing underway ahead of planned commencement of drilling in August 2025
- Inclusion of Ark Mines in the Queensland Government's updated Critical Minerals Prospectus – part of a \$315 million government initiative to highlight Queensland's credentials as a mining jurisdiction via direct engagement with domestic and international investors

Completion of \$1.5m Placement

During the quarter, Ark received firm commitments from two sophisticated investors pursuant to section 708 of the Corporations Act 2001 (Cth), to raise A\$1,500,000 including costs, via a placement of shares at an issue price of \$0.14 per share. This placement was carried out to expedite exploration and development at the Sandy Mitchell rare earths project, commencing with an infill drill program designed to upgrade the existing Measured resource of Monazite Equivalent (MzEq).

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Commencement of metallurgical improvement works

During the quarter, Ark announced the commencement of a detailed metallurgical improvement program at Sandy Mitchell, to be undertaken by IHC Mining - a leading Australian mining services company which operates a state-of-the-art metallurgical testing facility outside Brisbane with specialist expertise in mineral sands processing.

The test work is expected to deliver additional refinements to existing product data and build off the expert metallurgical review commissioned by Harrier Project Management in May 2024 (refer ASX Announcement 16 May 2024).

IHC Mining is a multi-service mining engineering and consulting group, with specialist knowledge in mineral sands. The Company's Brisbane-based laboratory is capable of a range of industry-standard analytical techniques, bench-scale metallurgical evaluations and bulk processing on full-scale mineral processing equipment.

The metallurgy program will utilise a 2,225kg bulk sample from Ark's 2024 drill program, and has been designed to deliver improved characterisation and preparation of feed for beneficiation. These results will be incorporated into a flow sheet for the production of the following REE and HM outputs from the surface sand at Sandy Mitchell:

- Rare Earth Oxides including magnet rare earths and critical rare earths
- Zircon with accessory hafnium
- Accessory titanium oxides
- Garnet

Rock chip sampling program: Pluton gold project

Also during the quarter, Ark announced the results of a wet season rock-chip sampling program at the Pluton Gold Project in North Queensland. The rock chips show excellent gold and silver grades, with gold grades peaking at 24.96 g/t, accompanied by up to 33.7 g/t Ag (refer ASX announcement 7 May 2025).

The sampling program was designed to validate previous exploration work by CRAE and Australian Gold Resources, which confirmed the presence of gold mineralisation and identified the Pluton prospect as the best remaining target.

The peak Au grades significantly exceeded the previous maximum of 9.94 g/t, with results highly supportive of ongoing exploration work at Pluton as a wet season field option to complement the development of Sandy Mitchell.

Contract awarded for resource upgrade drill program

Post quarter-end, Ark confirmed it has signed drilling contracts with Australian Exploration Drilling for a planned 2,500m drilling campaign at Sandy Mitchell – the third stage of a comprehensive resource definition drill program designed to significantly increase the existing Measured resource.

Drilling to-date has resulted in a Measured Mineral Resource Estimate (MRE) of 71.8 Mt @ 1,732.7ppm Monazite Equivalent, calculated using a 700ppm MzEq lower cutoff grade. The Stage 3 program has been designed to target an eventual resource increase to approximately 260Mt, based on thickness of the existing resource and mineralisation in the reconnaissance drilling used to inform the 1,316Mt to 1,580Mt JORC Exploration Target (refer ASX Announcement 6 November 2024).

The program will utilise Air Core drilling through the sand column with Reverse Circulation finish at bedrock, followed by completion of the bedrock intercept metre to end the hole. Results will be incorporated with updated metallurgical works program into a comprehensive Pre-Feasibility Study (PFS) that is scheduled for completion in early CY2026. Land clearing is currently underway, with the drill program on schedule for commencement in the first half of August 2025.

SANDY MITCHELL DEVELOPMENT STRATEGY – KEY NEAR-TERM MILESTONES

- Commencement of Phase 3 drill program to target the conversion of the existing Exploration Target into an expanded Measured resource of Monazite Equivalent
- Advancement of metallurgical test work with IHC Mining to optimise feed for beneficiation, with results to be incorporated into updated Scoping Study showing improved project economics
- Ongoing discussions with potential funding partners and the Queensland government for broader project development at Sandy Mitchell, following inclusion of Ark Mines in the July 2025 Critical Mineral Prospectus as part of the government’s \$315m Queensland Critical Minerals Strategy
- Drill results and metallurgical works program to be incorporated into a planned Pre-Feasibility Study (PFS) for Sandy Mitchell, which is scheduled for completion in early 2026

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

Activity	Current Quarter \$(000)	Year to Date (12-months) \$(000)
Compilation activities	8	108
Geophysical surveys and remote	2	7
Surface exploration	63	114
Drilling	9	72
Other laboratory work	-	27
Advanced prospect testing / resource estimation	38	535
Administration	14	17
Other	25	37
Total	159	917

TENEMENT SUMMARY

Table 2: Ark Tenements

Permit	Transferee Holder	Project	Ownership	Location
EPM 26464	Mt Jesse Pty Ltd	Mt Jesse	100%	North of Mt Garnet Nth Queensland
EPM 26560	Gunnawarra Pty Ltd	Gunnawarra	100%	South Of Mount Garnet Nth Queensland
EPM 26883	Mt Pluton Base Pty Ltd	Mt Pluton	100%	East Of Dimbulah Nth Queensland
EPM 28013	Ark Mines Ltd	Sandy Mitchell	100%	120km NW of Chillagoe Nth Queensland

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

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

CORPORATE

Pursuant to ASX Listing Rule 5.3.5, payments of A\$140,000 were made to related parties during the Quarter. 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 Cash flow 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

28 July 2025

Further Information:

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Ben Emery
CEO Managing Director
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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")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	6
1.2	Payments for		
	(a) exploration & evaluation	(159)	(917)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(368)	(1,427)
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
1.8	Other (Net GST)	(51)	(20)
1.9	Net cash from / (used in) operating activities	(578)	(2,065)
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	-	-

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 (12 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)	1,500	1,500
3.2	Proceeds from issue of convertible debt securities	-	550
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(8)
3.5	Proceeds from borrowings	-	-
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	1,492	2,042
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	387	1,349
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(578)	(2,065)
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)	1,492	2,042

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,301	1,301

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	1,301	387
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)	1,301	387

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	140
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.

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

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(578)
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)	(578)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,301
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	1,301
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.3
<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 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
NA	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
NA	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
NA	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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.

28 July 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.