

25 AUGUST 2025

\$4.5M INVESTMENT BY THE QIC CRITICAL MINERALS AND BATTERY TECHNOLOGY FUND TO ADVANCE DEVELOPMENT AT SANDY MITCHELL

Highlights

- \$4.5m investment in Ark Mines by the QIC Critical Minerals and Battery Technology Fund (QCMETF) to advance development at the Sandy Mitchell Rare Earth and Heavy Mineral Project located 230km north-west of Cairns.
- The QCMETF's primary objective is to support businesses across the critical minerals supply chain in Queensland.
- The QCMETF is managed by QIC, a Queensland government owned corporation with A\$131.2bn (~US\$86bn) in funds under management (as of 30 June 2025)
- The QCMETF's investment will comprise \$4m in up-front funding tied to royalties based on future product sales from Sandy Mitchell and a \$500,000 equity investment, subject to shareholder approval.
- Agreement follows a collaborative due diligence process between the parties and reflects the Queensland Government's commitment to providing support for Queensland-based resources projects which meet strict criteria for government investment.
- QCMETF funding will facilitate the rapid acceleration of project development at Sandy Mitchell; stage-3 infill drilling now underway with results to be incorporated into upcoming Pre-Feasibility Study, with Ark Mines now targeting production in late-2027.
- QCMETF funding in line with the Queensland Government's strategy to strengthen domestic supply chains for critical minerals, with expectations for ~80 local jobs to be created when production at Sandy Mitchell commences.
- Near-term, Ark Mines is targeting a significant increase to the Mineral Resource at Sandy Mitchell from the current Measured Mineral Resource Estimate (MRE) of 71.8 Mt @ 1,732.7ppm Monazite Equivalent (MzEq), calculated using a 700ppm MzEq lower cut-off grade.

Ark Mines Limited (ASX: AHK) ('AHK' or the 'Company') is pleased to announce it has received a \$4.5m investment from the QIC Critical Minerals and Battery Technology Fund ('QCMETF') – to support development at the Company's flagship Sandy Mitchell Rare Earths Project in North Queensland.

Managing Director Ben Emery said: "We are pleased to announce this funding agreement with the QCMETF, which follows an extensive period of engagement with the Fund and marks a significant step forward in our strategy to develop Sandy Mitchell through to production. With a busy works program

scheduled for the second half of 2025, this investment provides Ark with an effective non-dilutive source of funding to accelerate development."

"Strategically, it also delivers long-term alignment with the state government's policy objective to position the North Queensland region as a key supplier of the critical minerals used in global clean energy supply chains. Our goal now is to establish Ark Mines as a leading Australian rare earths supplier, serving end users in domestic and international markets."

"We look forward to updating our investors on more key developments in the coming months, led in the near-term by a comprehensive infill drill program which we expect will deliver a significant increase to the current Measured resource of MzEq at Sandy Mitchell."

QCMBTf investment

The QCMBTf's investment comprises:

- \$4,000,000 in up-front funding on completion, in consideration for the grant of royalties based on future product sales from Sandy Mitchell; and
- \$500,000 equity investment, with completion subject to shareholder approval for the purposes of ASX Listing Rule 7.1.

Other key terms include:

- in respect of the royalty:
 - royalty investment conditional upon completion of the equity investment;
 - royalties payable to the QCMBTf will be calculated and paid quarterly and based on 2% of gross revenues calculated in Australian dollars from the future sale of products from Sandy Mitchell;
 - security granted over tenements relevant to Sandy Mitchell; and
 - customary terms and conditions, including periodic reporting;
- in respect of the equity component:
 - issue of 2,994,012 new ordinary fully paid shares in Ark Mines at an issue price of A\$0.167 per share to raise \$500,000 (before costs), subject to shareholder approval for the purposes of ASX Listing Rule 7.1; and
 - customary terms and conditions, including representations and warranties given by the Company and termination rights if certain circumstances arise prior to completion (including in the event there is a material adverse change in respect of Ark Mines); and
- funding to be used to develop Sandy Mitchell in accordance with the agreed budget.

The agreement follows an extensive period of collaboration between the parties and a comprehensive due diligence process by the QCMBTf, and reflects the Queensland government's commitment to providing support for Queensland-based resources projects which meet strict criteria for government investment. The QCMBTf's advisers on this investment are BurnVoor Corporate Finance and Allens. (Announcement 2 October 2024).

Project Development – Sandy Mitchell

Funds raised from the QCMBTf's investment will be deployed to accelerate investment at Sandy Mitchell, with the Company now fully funded to advance its near-term works program over the remainder of CY2025. Near-term, this will be led by the commencement of stage-3 infill drilling, with Ark now targeting a significant increase to the existing Measured resource at Sandy Mitchell of 71.8 Mt @ 1,732.7ppm Monazite Equivalent (MzEq), calculated using a 700ppm MzEq lower cut-off grade.

The contract for the resource upgrade drill program was awarded in early July (refer ASX Announcement 1 July 2025) and followed the commissioning of specialist consultants, IHC Mining, to commence a detailed metallurgical testing program to improve both the beneficiation process and mineral separation process for rare earths and heavy minerals at Sandy Mitchell (refer ASX Announcement 17 June 2025).

Development works in the second half of 2025 will be incorporated into a comprehensive Pre-Feasibility Study (PFS) scheduled for early 2026, which is expected to deliver significantly improved economics across all key project metrics.

As agreed between the parties, the QCMBTF investment will assist Ark Mines accelerate development at Sandy Mitchell, with first production – resulting in the creation of at least 80 jobs – currently scheduled for late 2027.

About QCMBTF

The primary objective of the \$150m QCMBTF is to support businesses across the critical minerals supply chain in Queensland, through debt, equity and/or hybrid investment in growth-stage businesses. More specifically, the fund's mandate includes investment in projects that will create Queensland-based jobs, deliver economic growth in Queensland, and support development to allow the growth of the critical minerals sector within Queensland.

The QCMBTF is managed by QIC.

About the Queensland Investment Corporation

QIC is a long-term specialist manager in alternatives offering infrastructure, real estate, private capital, private debt, liquid strategies and multi-asset investments. It is one of the largest institutional investment managers in Australia, with A\$131.2bn (~US\$86bn) in funds under management (as of 30 June 2025). QIC has over 900 employees and serves approximately 120 clients (as of 30 June 2025). Headquartered in Brisbane, Australia, QIC also has offices in Sydney, Melbourne, New York, San Francisco, London, and Singapore.

The entity confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

AUTHORITY FOR RELEASE

This announcement has been approved for release to the ASX by the Board of Ark Mines Ltd.

FURTHER INFORMATION

For further information please contact:

Roger Jackson
Executive Chairman
info@arkmines.com.au

Ben Emery
Executive Director
info@arkmines.com.au

Visit our website and social media:

www.arkmines.com | www.twitter.com/arkmineslimited

About Ark Mines Limited

Ark Mines is an ASX listed Australian mineral exploration company focused on developing its 100% owned projects located in Northern Queensland. The Company's exploration portfolio consists of four high quality projects.

The Flagship Sandy Mitchell Rare Earth and Heavy Mineral Project

- Ark owns 100% of the 147km² EPM 28013 'Sandy Mitchell' – an advanced Rare Earths Project in North Queensland with additional 138km² of sub blocks under application
- Measured Mineral Resource Estimate (MRE) of 71.8 Mt @ 1,732.7 ppm Monazite Equivalent calculated using a 700ppm MzEq lower cut-off grade (see Appendix A for Resource Report).
- Very high historical TREO grades* including high grade pan concentrates of:
- Project contains all critical Light Rare Earths as well as Heavy Rare Earths including dysprosium (Dy), terbium (Tb), holmium (Ho), erbium (Er), thulium (Tm) ytterbium (Yb), yttrium (Y) and excluding only Lutetium
- Up to 25% of the TREO is Nd and Pr (magnet metals)
- Rare Earths at 'Sandy Mitchell' are amenable to panning a concentrate; Planned low-cost, fast start up, straightforward beneficiation by gravity processing

Gunnawarra Nickel-Cobalt Project

- Comprised of 11 sub-blocks covering 36km²
- Borders Australian Mines Limited Sconi project - most advanced Co-Ni-Sc project in Australia
- Potential synergies with local processing facilities with export DSO Nickel/Cobalt partnership options

Mt Jesse Copper-Iron Project

- Project covers a tenure area of 12.4km² located ~25km west of Mt Garnet
- Centered on a copper rich magnetite skarn associated with porphyry style mineralization
- Three exposed historic iron formations
- Potential for near term production via toll treat and potential to direct ship

Pluton Porphyry Gold Project

- Located ~90km SW of Cairns near Mareeba, QLD covering 18km²
- Prospective for gold and associated base metals (Ag, Cu, Mo)
- Porphyry outcrop discovered during initial field inspection coincides with regional scale geophysical interpretation

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.

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. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.