



Ark to Acquire advanced Gold project and Mineable Gold Resource

Sydney, 15 January 2013: Ark Mines Ltd (ASX:AHK) is pleased to announce that it has signed an agreement (Agreement) with Arafura Resources Limited (ASX:ARU) (Arafura) to Mine, Farm in and Joint Venture the Mt Porter and Frances Creek gold projects in the Northern Territory's highly prospective Pine Creek region.

Mt Porter

- A resource of 34,200 oz Au comprising 300,000t @ 3.1 g/t Au (Mt. Porter Resource)
- Resource expandable, with well defined targets
- Shallow and conducive to open cut mining
- Located near Pine Creek, and proximal to working gold mills
- Environmental approval issued by the Northern Territory and Australian Governments (2007)
- Agreement with the Northern Land Council for mining operations (2004)
- Granted Mining Lease (ML 23839)

Frances Creek

- Advanced gold project
- Significant drilling completed
- Resource Drilling to commence immediately

The Agreement provides:

- Ark an opportunity to conduct due diligence for 30 business days
- an immediate right to mine the Mt. Porter ML23839, subject to obtaining necessary governmental permissions
- a right to earn a 40% interest in Arafura's Mt. Porter tenements and their rights to explore for and mine gold in the Frances Creek tenements (Assets) over a period of 30 months subject to an expenditure of not less than \$400,000 (First Earnin)
- that Ark must spend not less than \$200,000 during the first 15 months of the First Earnin period (Minimum Obligation)
- Ark a right, upon completion of the First Earnin to either earn a further 30% interest in the Assets (making a total of 70%) over a period of 24 months subject to expenditure of not less than \$1,600,000 and the delineation of not less than 100,000 ounces of gold, excluding the Mt. Porter Resource and gold mined from Mt. Porter (Second Earnin) or to exercise an option to acquire 100% of the Assets for not less than \$2,000,000



- **for the creation of a joint venture between Ark and Arafura, in the event that Ark completes the Second Earnin, in which case each party shall thereafter be required to contribute to that joint venture in proportion to their interests and otherwise comply with the joint venture agreement**
- **that Ark may withdraw from the Agreement at any time after satisfying the Minimum Obligation provided that any further spending obligations are satisfied on a prorated basis**

Background

The Mt Porter – Frances Creek projects lies approximately 20kms to the North of Pine Creek and 165km South of Darwin in the Northern Territory.

Mt Porter

The Mt Porter project has been explored by a number of companies since the mid eighties, including Renison and Homestake. Renison had undertaken 14,000 m of RC drilling and developed a resource, however the gold price at the time, shelved the project. Homestake drilled 14 diamond holes, while in a farm in agreement with Renison, however the size of the deposit did not meet their corporate objectives. In 2002 Arafura acquired the project from Iluka (Renison) and then went on to complete a 7 hole diamond program. In 2006 after successful Native Title negotiations and an Environmental Public Report, Arafura was granted a Mining License (ML 23839) In 2006 Arafura commenced an RC program to drill the newly identified NW and SE targets. Due to mechanical issues the program was abandoned after 4 holes completed, of the 11 proposed. A new zone of mineralization was found called the “248” zone which is open along strike and dip. Significant results were gained and it was concluded the SW target should be followed up along with other targets which were identified.

Hence, drill testing of the western limb of the Mt Porter Anticline along its entire length and within the vicinity of the known resource will be the focus of the immediate exploration program. This and other defined targets at the Mt Porter gold project represents an advanced stage exploration project in a proven gold bearing geological province and a comprehensive exploration program with the objective of building on the existing resources will be the main priority for Ark. Ark plan to Mine the Mt Porter Gold Project immediately following the expanded drill program.

Frances Creek

In the Frances Creek area, some five kilometres to the north-east of Mt Porter, Arafura completed forty RC holes by the end of 2004 on a number of vein deposits including the Golden Slips and Golden Honcho deposits. This drilling encountered high gold grades within quartz veins hosted by sandstone. Grades as high as 47.5 g/t Au over intervals of up to 4 metres were recorded (see Table1).



The Golden Honcho deposit is open along strike to both north and south and at depth. Ark will undertake a resource evaluation in conjunction with a major drilling program on these prospects in order to add to the gold inventory already apparent on this project.

The most recent Resource at Mount Porter was completed in early 2004 by Resource Evaluations Pty Ltd on behalf of Arafura Resources. This was reported in accordance with the guidance of the JORC code (1999). Using a 1.7g/t Au lower cut off, an indicated resource of 300,000t at 3.1g/t (29,600 oz Au) and an inferred resource of 55,000t at 2.6g/t (4,600 oz Au) was estimated for the Mount Porter deposit. Using a .5g/t Au lower cut off, an indicated resource of 694,000 at 2.0g/t (44,000 oz Au) and an inferred resource of 184,000t at 1.6g/t (9,100 oz Au) was estimated.

The resource encompasses the 10400 zone prospect from surface to 85m below surface and was estimated using inverse distance squared interpolation within mineralised envelopes constructed using .5g/t Au shells and using a high grade cut off of 20g/t Au. Runge Limited who purchased the assets of Resource Evaluations Pty Ltd have reviewed the documentation relating to the Mount Porter resource and have confirmed that this resource estimation conforms to the reporting guidelines of the JORC Code (2004)

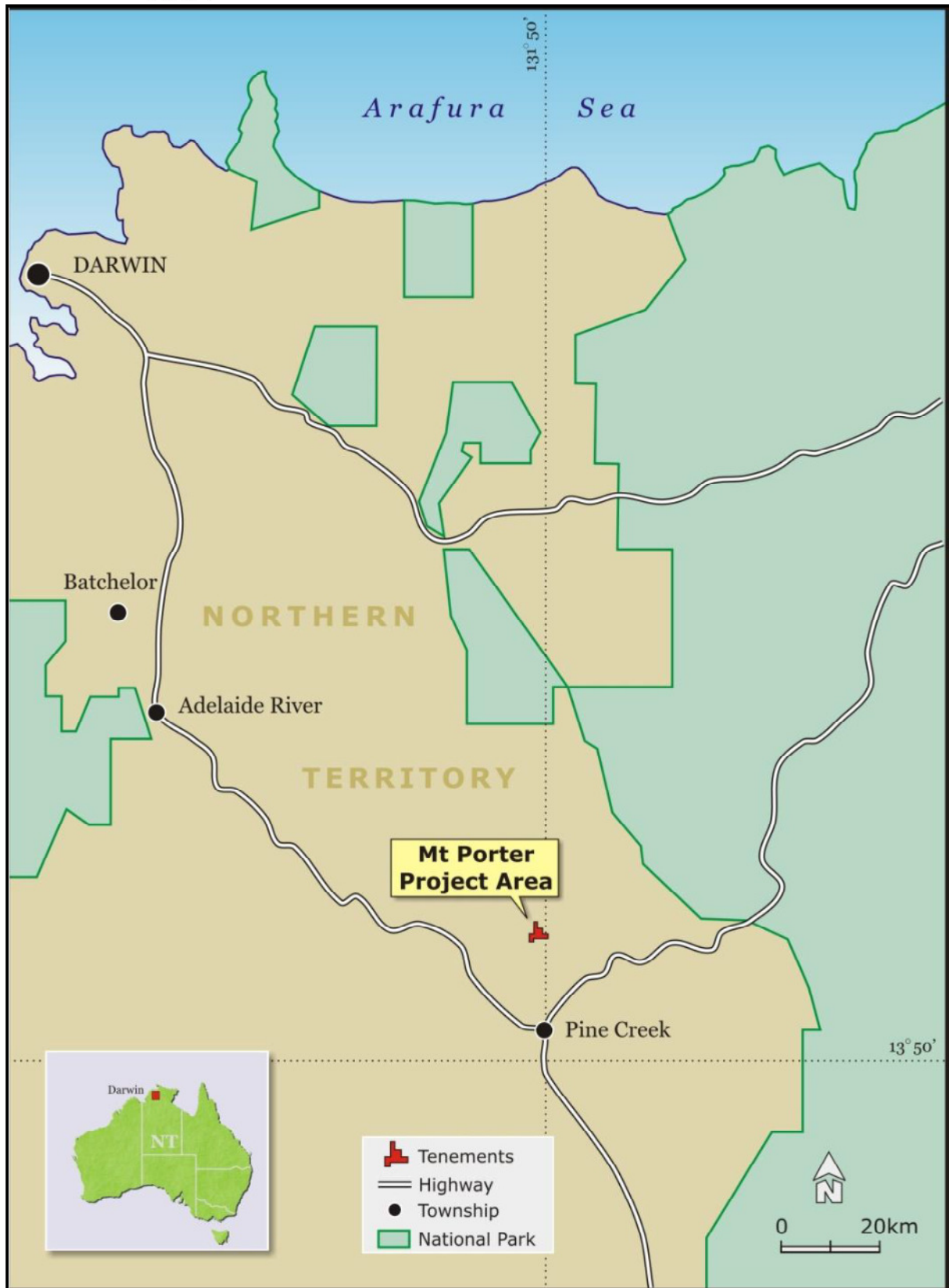


Figure 1 Mt Porter and Frances Creek Location

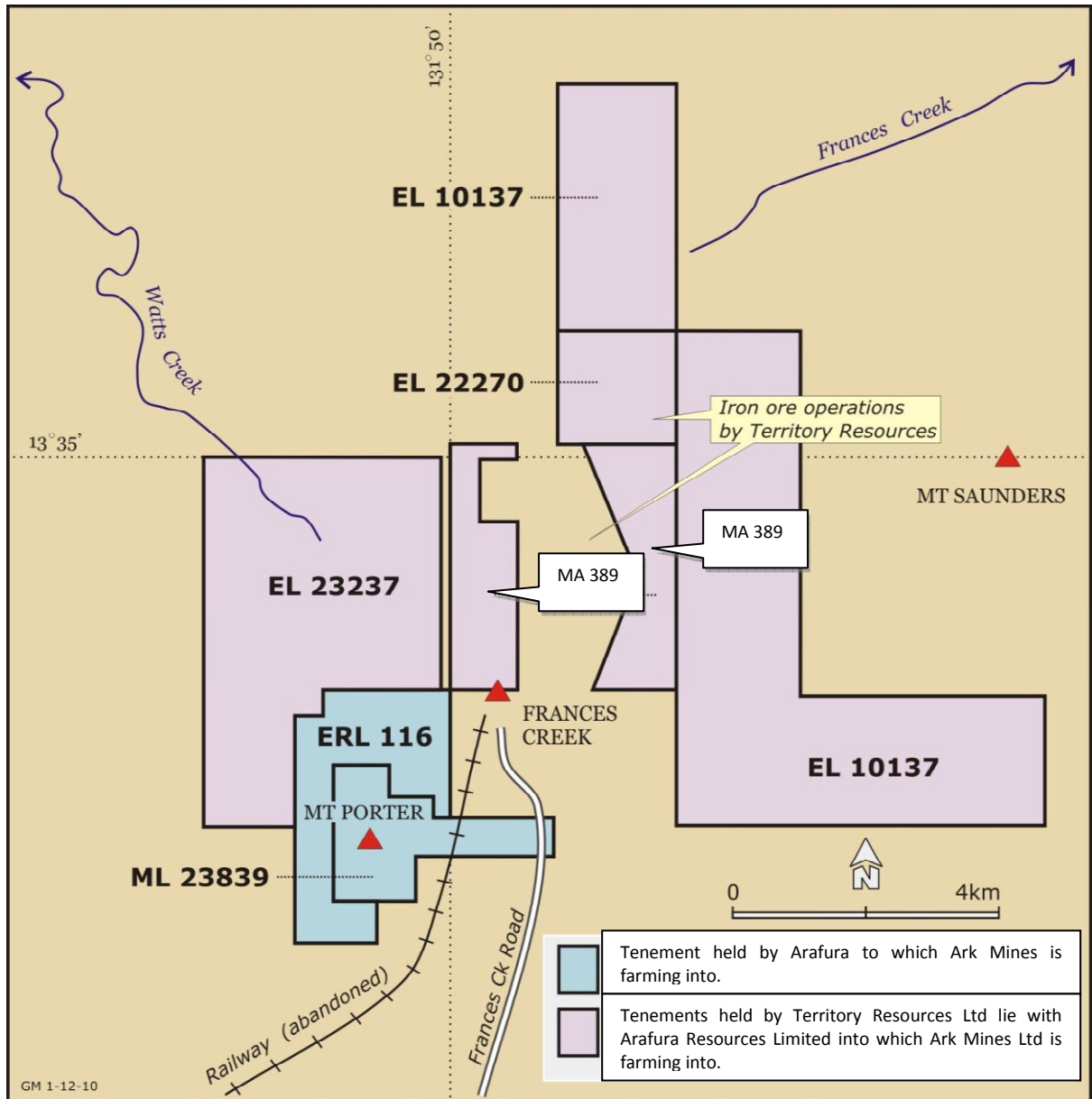


Figure 2 Tenements

Table 1 Mt Frances Drill Results - not true thickness

| Hole Number | From m | To m | Interval m | Au avg ppm | Prospect |
|-------------|--------|------|------------|------------|---------------|
| FCRC015 | 16 | 17 | 1 | 1.02 | Golden Slips |
| FCRC016 | 6 | 8 | 2 | 2.47 | Golden Slips |
| FCRC017 | 15 | 19 | 4 | 47.54 | Golden Slips |
| FCRC017 | 21 | 23 | 2 | 1.68 | Golden Slips |
| FCRC018 | 27 | 28 | 1 | 3.3 | Golden Slips |
| FCRC019 | 27 | 28 | 1 | 1.47 | Golden Slips |
| FCRC020 | 27 | 28 | 1 | 2.88 | Golden Slips |
| FCRC023 | 33 | 34 | 1 | 10.32 | Golden Slips |
| FCRC024 | 32 | 34 | 2 | 9.92 | Golden Slips |
| FCRC035 | 32 | 33 | 1 | 5.07 | Golden Slips |
| FCRC035 | 45 | 47 | 2 | 1.44 | Golden Slips |
| FCRC037 | 33 | 35 | 2 | 10.07 | Golden Slips |
| FCRC038 | 3 | 4 | 1 | 1.38 | Golden Slips |
| FCRC040 | 10 | 12 | 2 | 1.67 | Golden Slips |
| FCRC041 | 12 | 14 | 2 | 6.39 | Golden Slips |
| FCRC042 | 13 | 14 | 1 | 2.58 | Golden Slips |
| FCRC044 | 17 | 18 | 1 | 3.33 | Golden Slips |
| FCRC045 | 1 | 3 | 2 | 1.56 | Golden Slips |
| FCRC045 | 8 | 11 | 3 | 1.78 | Golden Slips |
| FCRC045 | 14 | 15 | 1 | 3.75 | Golden Slips |
| FCRC046 | 3 | 4 | 1 | 1.07 | Golden Slips |
| FCRC046 | 7 | 8 | 1 | 2.06 | Golden Slips |
| FCRC047 | 30 | 31 | 1 | 2.31 | Golden Slips |
| FCRC048 | 46 | 48 | 2 | 2.09 | Golden Slips |
| FCRC026 | 19 | 21 | 2 | 6.51 | Golden Honcho |
| FCRC027 | 17 | 19 | 2 | 3.88 | Golden Honcho |
| FCRC027 | 25 | 27 | 2 | 11.61 | Golden Honcho |
| FCRC028 | 14 | 19 | 5 | 4.44 | Golden Honcho |
| FCRC029 | 9 | 10 | 1 | 1.38 | Golden Honcho |
| FCRC029 | 14 | 17 | 3 | 10.66 | Golden Honcho |
| FCRC029 | 23 | 24 | 1 | 1.1 | Golden Honcho |
| FCRC029 | 30 | 31 | 1 | 5.08 | Golden Honcho |
| FCRC030 | 14 | 16 | 2 | 8.15 | Golden Honcho |
| FCRC030 | 28 | 29 | 1 | 3.89 | Golden Honcho |
| FCRC031 | 11 | 12 | 1 | 1.06 | Golden Honcho |
| FCRC031 | 22 | 24 | 2 | 13.29 | Golden Honcho |
| FCRC032 | 15 | 16 | 1 | 2.85 | Golden Honcho |
| FCRC033 | 26 | 27 | 1 | 2.88 | Golden Honcho |
| FCRC034 | 52 | 53 | 1 | 3.3 | Golden Honcho |
| FCRC050 | 35 | 36 | 1 | 1.28 | Golden Honcho |
| FCRC051 | 29 | 32 | 3 | 9.59 | Golden Honcho |
| FCRC052 | 17 | 20 | 3 | 10.96 | Golden Honcho |
| FCRC053 | 30 | 35 | 5 | 19.11 | Golden Honcho |

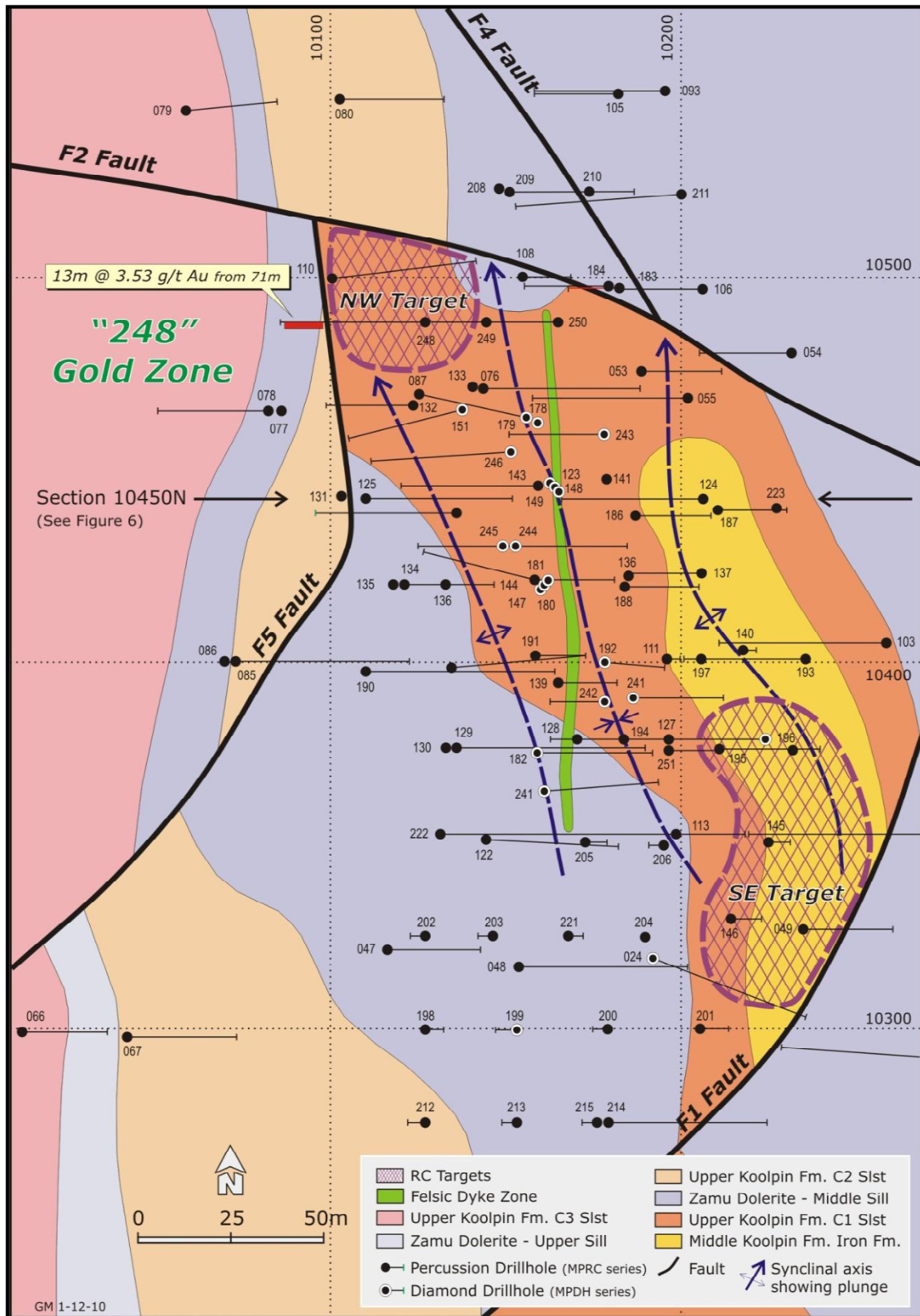


Figure 3 Mt Porter Gold Resource with Target zones

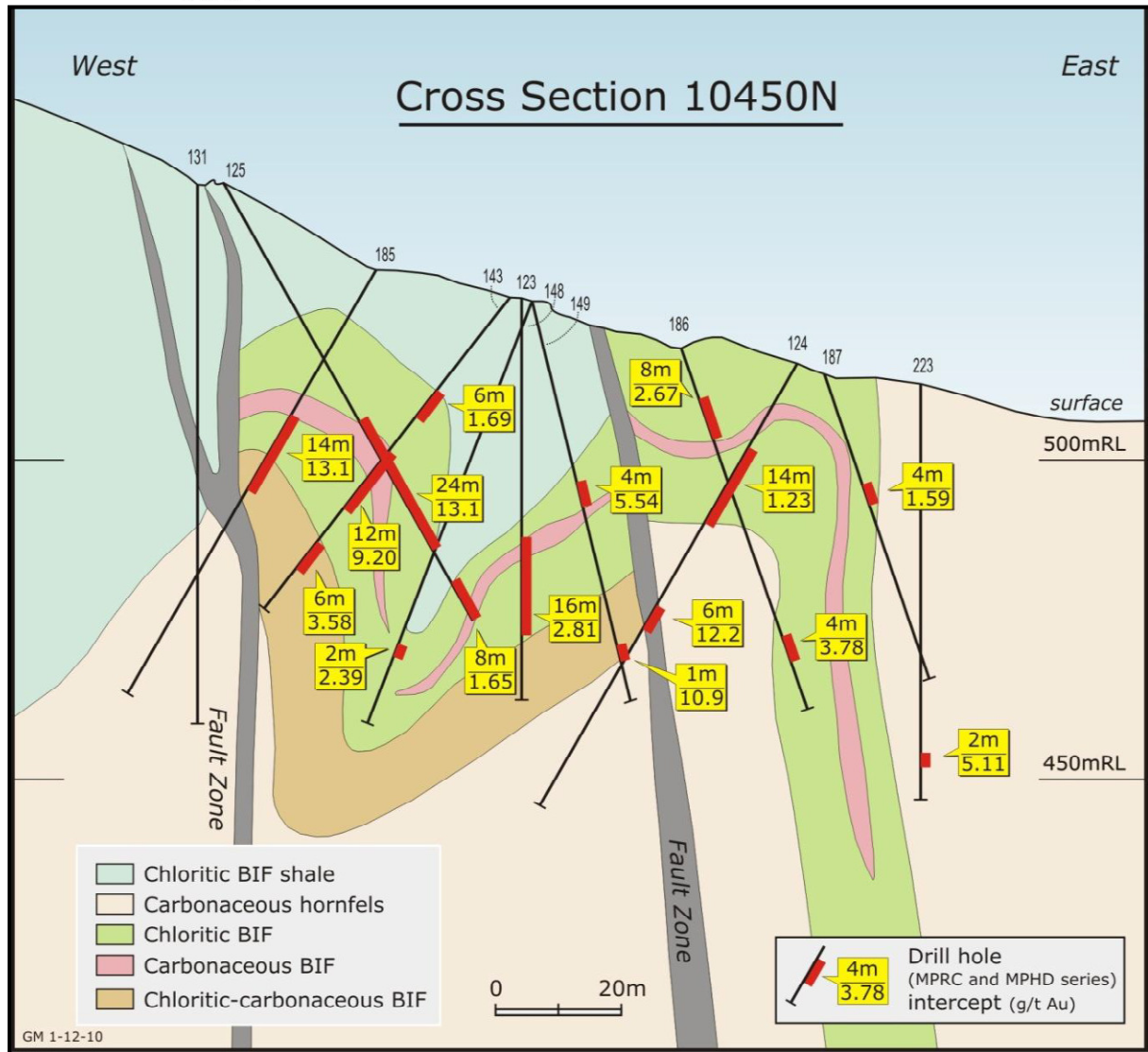


Figure 4 Mt Porter Cross Section

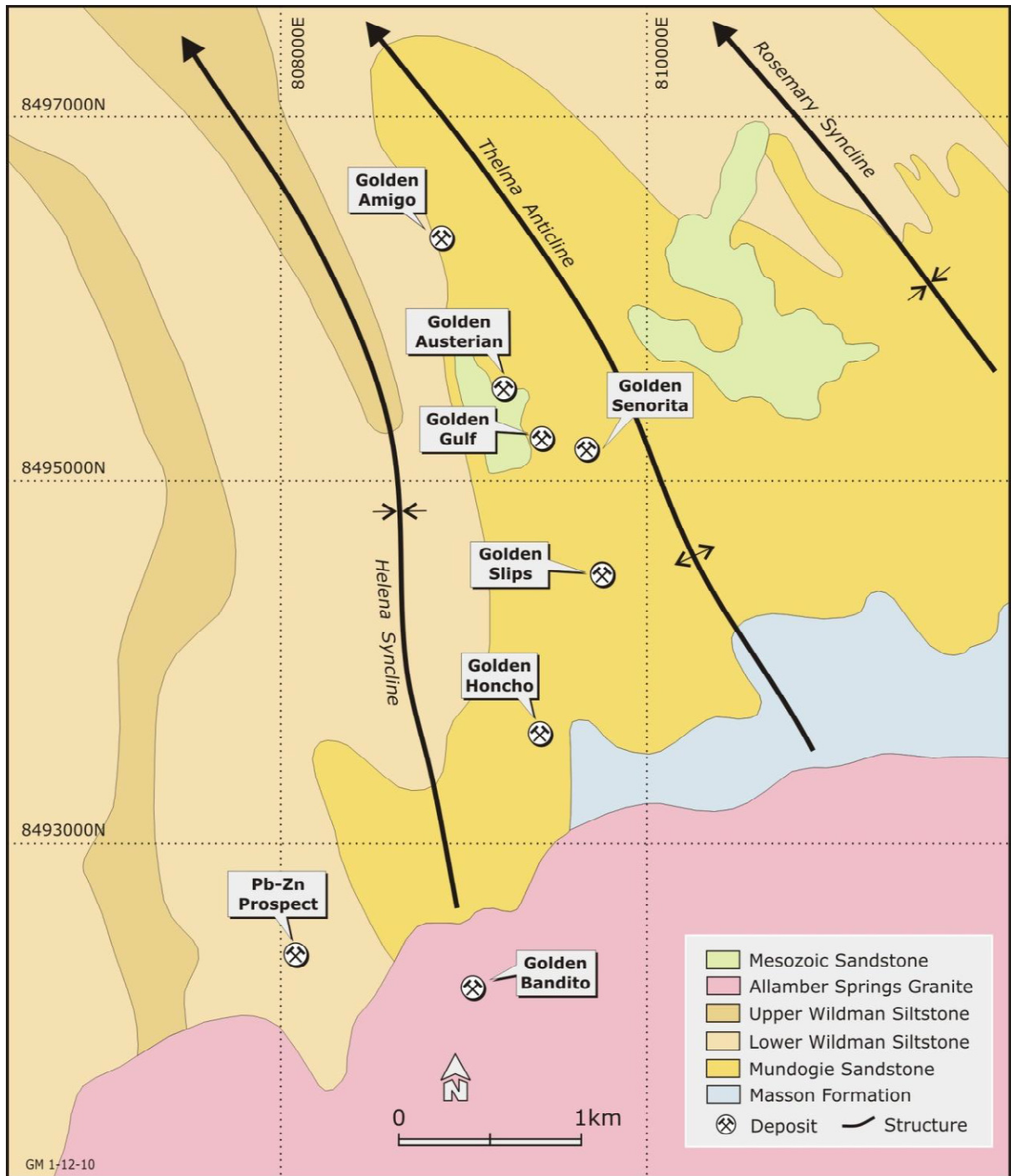


Figure 5 Frances Creek Gold Province

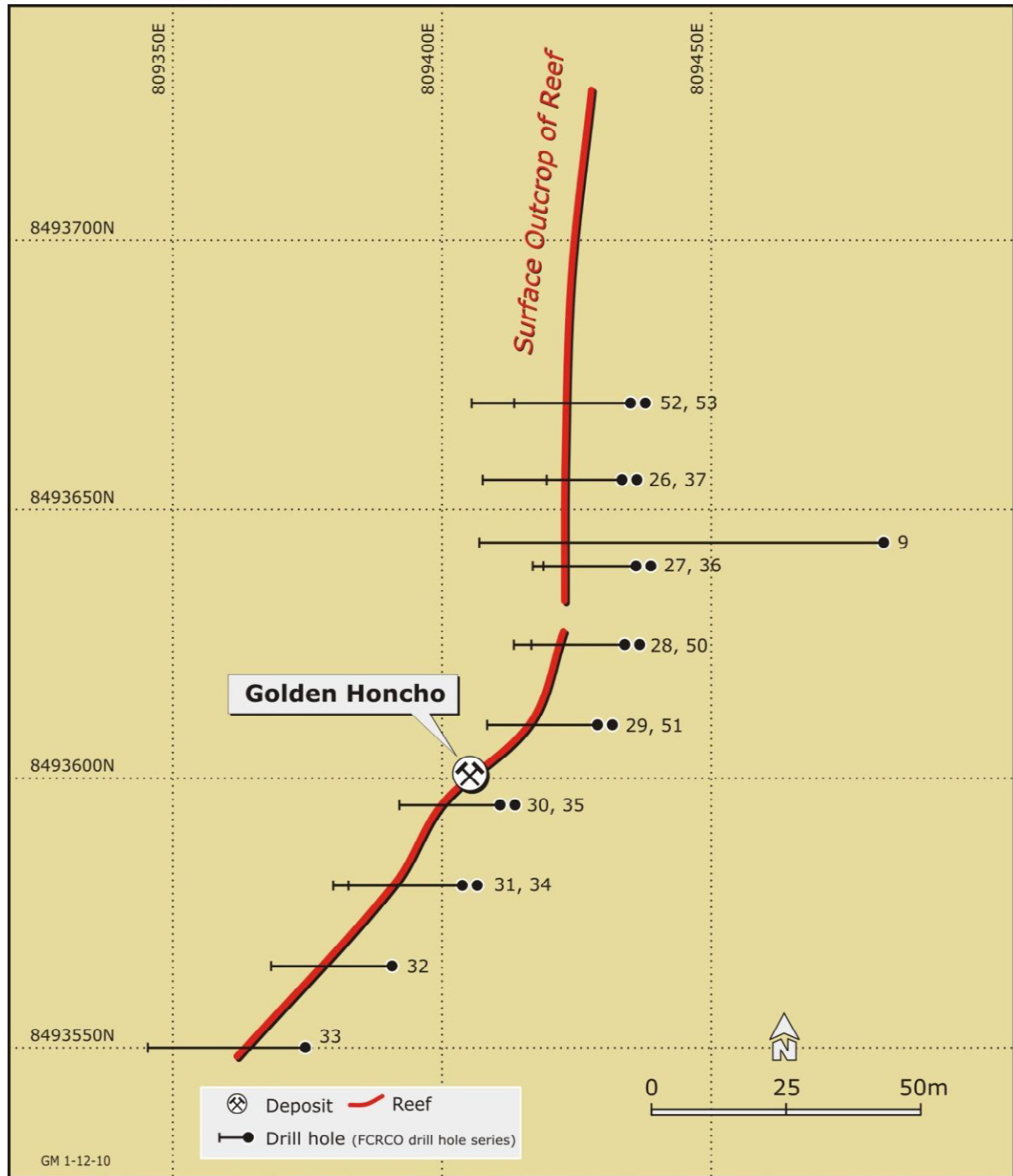


Figure 6 Golden Honcho and Golden Slips Drill Collar Locations



About Ark Mines

Ark Mines Ltd (ASX code AHK) is a publicly listed company with four highly prospective tenements in the Lachlan Fold Belt, in the central west of New South Wales. Ark's exploration efforts are focussed on gold and base metals.

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 Robert McLennan BSc (Hons), MSc, MAIG, who is a Fellow of The Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field of activity being reported on. Mr McLennan is a director of the Company. Mr McLennan 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 2004 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLennan consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.