



18th of November 2011

Managing Director Report

Dear Shareholder

The Ark board and management have been extremely busy this year, since listing in May. The company has undertaken a number of drill programs and Geophysical surveys on its NSW Exploration Licenses. The drilling has given the board confidence to further drill several of its targets next year. We are also presently drilling Nangerybone and will then be moving onto Byrock. The board budgeted \$900,000 towards in ground exploration in the first twelve months, with actual expenditure now in excess of this. Ark has drilled 67 air holes and 2 diamond holes in the last 6 months and has expended \$120,000 in Ground Gravity Surveys. We are pleased with the results to date and expect we will have continued success next year.

HIGHLIGHTS

- **Successfully drilled 3 of the 5 ELs**
- **Drilling now commenced at Nangerybone**
- **Defined through Geochemistry, Geophysics and drilling, 3 projects to advance further**
- **Hit numerous encouraging gold intercepts**
- **Have successfully found a polymetallic mineralised zone over a geophysical high**
- **Drilling at the Perseverance Mine has provided encouragement for Ark to infill drill**
- **Drilling at the Great Gundabooka proved a lateral extension to the known mineralised zone**

The company has also been active in undertaking due diligence of a project in central Kalimantan, Indonesia, over which, it now holds an exclusive option to acquire control of that project. Marsuparia is a 20,000Ha 'Contract of Work' which has had over 22 million US dollars spent on it. This is a very exciting transaction, which will transform the company into an advanced explorer and producer. The Contract of Work is located in a province with more than 6 advanced projects and several other projects, which require further advancement.

HIGHLIGHTS

- **US\$22,000,000 spent on exploration to date**
- **18,000m of diamond drilling completed**
- **Ongkang Gold deposit will be in production within twelve months**
- **Total acquisition cost of AUD\$4 million cash and issue of 10 million Ark shares @ 20c**
- **Bonanza Gold grades in the Epithermal Zones**
- **Mineralisation deeper than 850m in the Porphyry Gold -Copper Targets**
- **Significant mine accommodation and Infrastructure**
- **River transport to major port**
- **6th Generation Contract of Work**
- **Advanced forestry permitting**
- **Walk-up operation - established team and all facilities in Jakarta and Kalimantan**

Ark will endeavor to keep our valued shareholders informed through our web site and ASX announcements. I thank you for your support.

Roger Jackson

A handwritten signature in black ink, appearing to read "Roger Jackson".

Managing Director