

31 July 2012

QUARTERLY REPORT

FOR PERIOD 30 JUNE 2012

(ARK: code AHK)

OPERATIONAL HIGHLIGHTS

- Ark applies for 14 units (42km²) around its Nangerybone EL6726 project
- Ark applied for 156 units (502km²) around its Byrock EL 6365 in the Lachlan Fold Belt, NSW
- Expanded rockchip program indicates a 30% Fe Content across the broader area with the highest assay indicating 52.7% Fe
- Management reassessment of Ark Exploration Strategy and M and A completed in the period

BYROCK

Ark currently holds 32 km² of ground on the Byrock tenement (EL6365) which has recently returned a 52.7% Fe sample from rock chip sampling. The company has applied for an additional 502km² of ground that around the Byrock tenement that is similarly prospective for iron ore in both rock form and paleochannel structures and will take Ark's total tenement holding for this project to 588km².

The additional area that Ark has applied for is located in Central NSW, and features significant transport infrastructure. A rail line runs directly through the EL, linking the area to both Newcastle and Wollongong. The landholder over the tenement is happy for Ark to undertake exploration activities, and the Cobar region has a mining culture that typically embraces all new mining ventures.



Figure 1 Typical Fe Outcrop



Figure 2 Typical Fe Outcrop

Tenement Application Rationale

- Magnetic images indicates the area applied for have similar structures to Byrock (EL6365)
- Ark has identified similar iron-bearing rocks from the road
- Ark has held some of this ground in the past and Aircore results indicate the Fe potential
- Desktop analysis of Cullen and others are positive
- The Fe market is positive
- The landholder is very keen for Ark to explore
- A rail line runs directly through the EL to both Newcastle and Wollongong

Proposed Exploration

- Geophysical study of area
- Rock Chip sampling of entire EL
- RC drill program across areas of known outcrops
- Aircore program over areas of cover

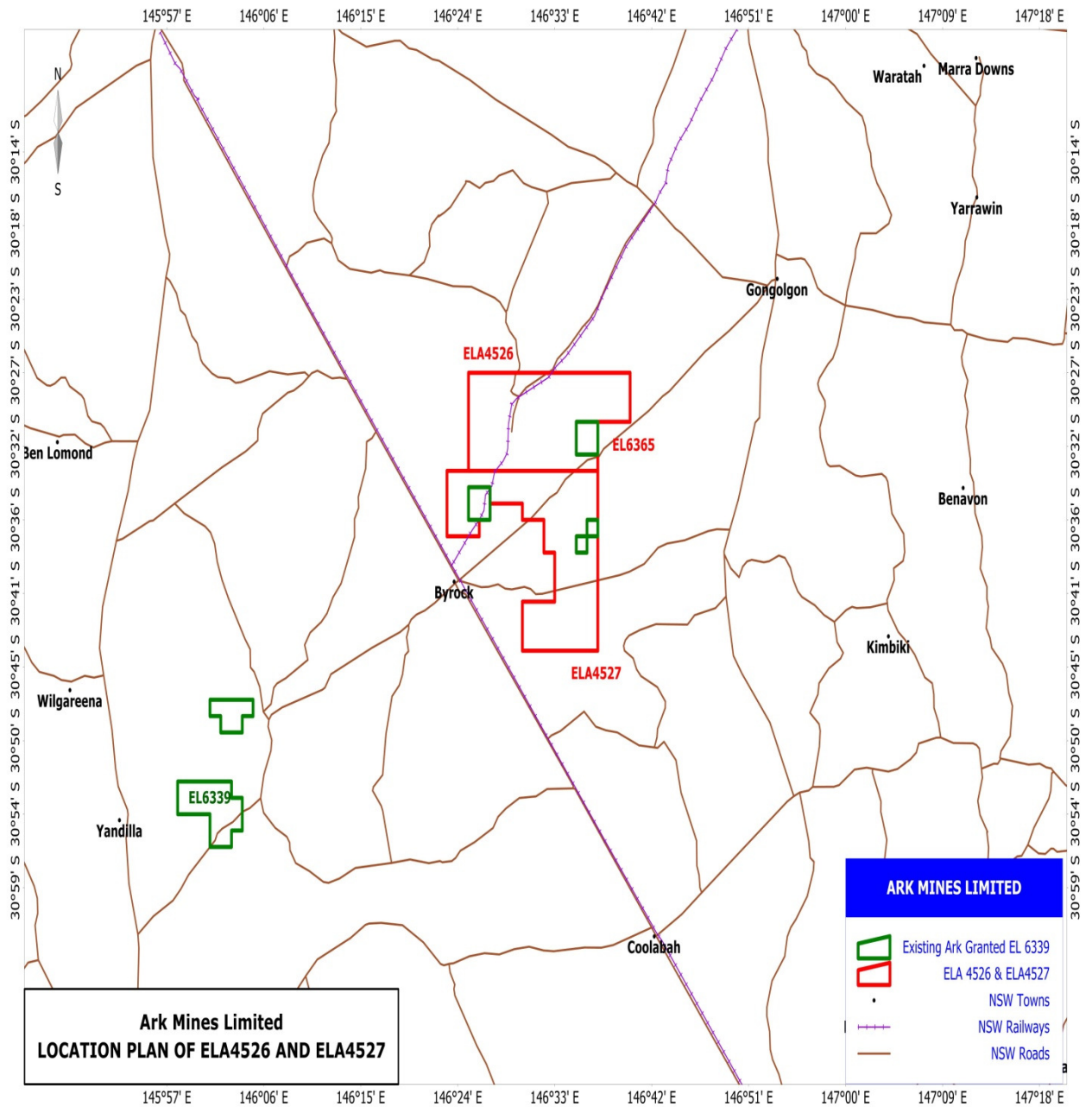


Figure 3 Applied area showing rail infrastructure



Figure 4 Location Sample



Figure 5 Ironstone located at Byrock

BYROCK LOCATION

NOTE: The image is vacant ground. Purple Colour box represents sample location

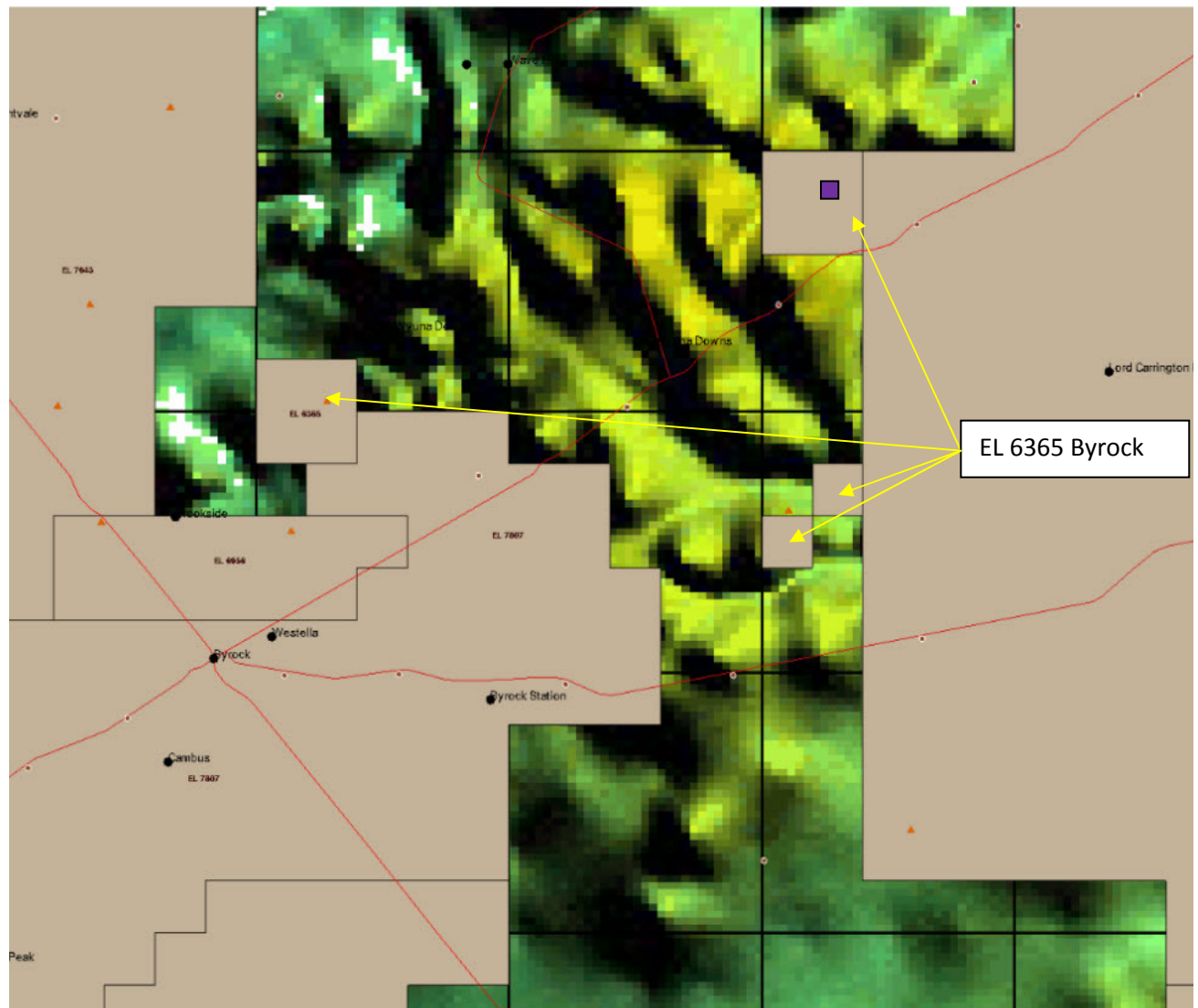


Figure 6 EL 6365 location - Mag image vacant ground

Rock Chip Fe Samples

	ME-ICP41		
SAMPLE	Fe	Eastings	Northings
DESCRIPTION	%		
BRCH007	52.7	0462600	6624380
ARKBY-001	27.4	0463250	6622729
ARKBY-002	28.9	0463250	6622709
ARKBY-003	27.3	0458622	6619846
ARKBY-004	27.1	0459138	6619771
ARKBY-005	21.1	0459138	6619771
ARKBY-006	23.5	0457640	6619141
ARKBY-007	26.2	0457713	6619263
ARKBY-008	19.6	0457711	6619287
ARKBY-009	16.8	0456762	6618641
ARKBY-010	24.1	0456479	6618290
ARKBY-011	26.2	0455894	6619812
ARKBY-012	26	0454471	6621293
ARKBY-013	22.3	0454875	6621298
ARKBY-014	28	0455141	6619326
ARKBY-015	22.8	0451280	6619586
ARKBY-016	22.8	0451283	6619604
ARKBY-017	23.9	0451295	661916
ARKBY-018	34.8	0451304	6619637
ARKBY-019	17.6	0451308	6619665
ARKBY-020	27.7	0451128	6620547
ARKBY-021	29.9	0451134	6620289
ARKBY-022	16.8	0446870	6620186
ARKBY-023	31.1	0446225	6618890
ARKBY-024	23.8	0453238	6615418
ARKBY-025	25.8	0453247	6615452
ARKBY-026	27	0453266	6615476
ARKBY-027	27.5	0453262	6615524
ARKBY-028	29	0453276	6615585
ARKBY-029	25.1	0453101	6615769
ARKBY-030	23	0453097	6615830

NANGERYBONE



Figure 7 Blackfellows Dam Mine

Ark has applied for 14 units (42km²) around its Nangerybone EL6726 tenement.

EL 6726 is situated south of the Bodadah base metal mines and immediately west of the Gilmore Suture. It encompasses Ordovician Girilambone Group flysch which to the west is intruded by the Silurian Erimeran Granite. Within basement Girilambone Group there are two tightly folded synclines of Early Devonian Baledmund Formation plunging to the north. These are bound to the east by the Wirrilah and Walkers Hill Fault Zones (Thrusts). In the southern half of the licence area is the Crowl Creek lineament which sub-parallel the Erimeran Granite-basement contact.

Intrusive related base-metal, tin, molybdenum, uranium and fluorite prospects are spatially related to the Crowl Ck lineament or the basement contact ie Break O'Day Cu-F (Pb-Zn), Blackfellows Dam U-Zn-Cu(Pb, Ag), Honeysuckle Cu-Pb-Zn (U,Ag), Promise Mo-W.

In addition there is a line of low grade gold prospects collectively known as "Carpina Ridge". These are hosted by a shear zone with broad pervasive silica alteration and narrow quartz veining occurring between the Baledmund Fm synclines.



QUARTERLY ACTIVITIES REPORT – JUNE 2012

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.

FURTHER INFORMATION: Roger Jackson, Managing Director, Ark Mines Limited: +61400 408 550

Roger Jackson

Managing Director

Ark Mines Ltd

A handwritten signature in black ink, appearing to read "R. Jackson", is positioned below the company name.