



ARK MINES LTD
ACN 123 668 717

**NOTICE OF ANNUAL GENERAL
MEETING**

25 November 2015

AND

EXPLANATORY MEMORANDUM

A PROXY FORM IS ENCLOSED

**(Copy of the Annual Report is on the Company's website www.arkmines.com.au
and on the ASX Website. If you have advised the Share Registry you require a
hard copy it will be mailed to you)**

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your sharebroker, solicitor, accountant or other professional advisor immediately.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

Notice of Annual General Meeting – Ark Mines Limited – 25 November 2015

Notice is given that the 2015 Annual General Meeting of Ark Mines Limited ("**ARK**" or "**Company**") will be held at BDO, Level 11, 1 Margaret Street, Sydney, on Wednesday 25 November 2015 at 11:30 am AEDT.

Ordinary Business:

Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year ended 30 June 2015.

Resolution 1

To consider and, if thought fit, to pass the following as an ordinary resolution:

"To adopt the Remuneration Report of the Company for the year ended 30 June 2015."

Resolution 2

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Ian Mitchell a Director who retires by rotation be re-elected".

Resolution 3 – Create a New Class of Shares

To consider and, if though fit, to pass the following as a special resolution:

"That for the purposes of Section 195 and Section 246B of the Corporations Act and Clause 5.3 of the Constitution and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Memorandum".

Resolution 4 – Issue of Performance Shares to Tony Corel

To consider and, if thought fit, to pass as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes the issue of 1,000,000 performance shares to Tony Corel upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting be approved".

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Tony Corel (or his nominee(s)) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Issue of Performance Shares to Roger Jackson

To consider and, if thought fit, to pass as an ordinary resolution:

“That for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes the issue of 1,000,000 performance shares to Roger Jackson upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting be approved”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Roger Jackson (or his nominee(s)) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Issue of Performance Shares to Ian Mitchell

To consider and, if thought fit, to pass as an ordinary resolution:

“That for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes the issue of 1,000,000 performance shares to Ian Mitchell upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting be approved”.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Ian Mitchell (or his nominee(s)) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7 – Approval of Issue of Convertible Notes

To consider and, if thought fit, to pass as an ordinary resolution:

“That for the purpose of Article 7 of the Company’s Constitution and Listing Rules 7.2 and 7.4 of the ASX Listing Rules and for all other purposes the issue of convertible notes to a sophisticated investor within the 15% Company capacity under Listing Rule 7.1 as detailed in the Explanatory Memorandum accompanying the Notice of Meeting be ratified and approved”.

(For Voting Exclusion Statement see page 16 of accompanying Explanatory Memorandum)

Resolution 8 – Authority to issue and allot Shares pursuant to Listing Rule 7.1A

To consider and, if thought fit, to pass the following as a special resolution:

“That pursuant to ASX Listing Rules 7.1A and 7.3A the Directors be authorised to issue and allot additional ordinary fully paid shares up to 10% of the Company’s issued ordinary fully paid capital by placement(s) within twelve months from the date hereof at an issue price not less than 75% of the volume weighted average price for the Company’s existing shares over the fifteen trading days prior to the date of issue thereof”.

(See pages 16-22 of Explanatory Memorandum for further information on the terms of issue and allotment of such shares and Voting Exclusion Statement).

By Order of the Board

Dated: 19 October 2015

Ian Mitchell
Director/Company Secretary

PROXY FORM

I/We.....
of.....
being a member/members of Ark Mines Limited HEREBY APPOINT

or failing him, the Chairman of the Meeting, as my/our Proxy to vote for me/us and on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Members of the Company to be held at 11:30am on 25 November 2015 and at any adjournment thereof.

The Proxy is directed by me/us to vote as indicated by the marks in the appropriate voting boxes below:

Resolution	For	Against	Abstain
1 To adopt the Remuneration Report	☐	☐	☐
2 Re-Election of Ian Mitchell as a Director	☐	☐	☐
3 Create a New Class of Shares	☐	☐	☐
4 Issue of Performance Shares to Tony Corel	☐	☐	☐
5 Issue of Performance Shares to Roger Jackson	☐	☐	☐
6 Issue of Performance Shares to Ian Mitchell	☐	☐	☐
7 Approval of Issue of Convertible Notes	☐	☐	☐
8 Authority to Issue and Allot Shares (Listing Rule 7.1A)	☐	☐	☐

Important information if the Chairman of the Meeting is your proxy or is appointed as your proxy by default.

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by marking the voting boxes above (for example if you wish to vote for, against or abstain from voting). If you do not so direct the Chairman then the Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

Signature of Security holder(s) *This section must be completed.*

Dated this day of 2015

Signatures of Securityholder(s).

Individual Securityholder(s)

Sole Director & Company
Secretary

Director/Company
Secretary

Proxy Form

For your vote to be effective it must be received by 11:30 am AEST on 23 November 2015.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each on Page 4 of this Notice.

A proxy need not be a security holder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate security holder or proxy is to attend the meeting you will need to provide the appropriate Certificate of Appointment of Corporate Representative" prior to admission.

Lodgement of Proxy Appointment Form

Proxy Appointment Forms and proxy appointment authorities, for example, the original or a certified copy of the power of attorney (if the Proxy Appointment Form is signed by an attorney) must be received:

- C/- Websters, Solicitors at Level 11, 37 Bligh Street, Sydney NSW 2000: or
- by fax, on fax number +61 2 9233 3828.

not later than 48 hours before the time appointed for holding the Annual General Meeting.

Documents received after that time will not be valid for the scheduled meeting.

Notes

The Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the proxy form are part of this Notice of Annual General Meeting.

Entitlement to vote

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of determining voting entitlements at the Annual General Meeting, shares will be taken to be held by the persons who are the registered holders at 5.00 pm AEDT on 23 November 2015. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

1. A member entitled to attend and vote at the Annual General Meeting convened by this Notice of Meeting has a right to appoint a proxy to attend and vote instead of the member. The appointment of a proxy may specify the proportion of the number of votes that the proxy may exercise. Fractions of votes will be disregarded.
2. A proxy need not be a member and can be either an individual or a body corporate. If a member appoints a body corporate as a proxy, that body corporate will need to ensure that it:
 - appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and
 - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

3. A member that is entitled to cast two (2) or more votes may appoint up to two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes. Fractions of votes will be disregarded.
4. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
5. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
6. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

7. To vote by proxy, please complete and sign the proxy form enclosed and return it to the Company's registered office:

C/- Websters, Solicitors
Level 11, 37 Bligh Street,
Sydney NSW 2000

OR

by facsimile: 02 9233 3828 International: +61 2 9233 3828

by no later than 11:30am AEDT on 23 November 2015.

Ark Mines Limited
ACN 123 668 717

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at the Annual General Meeting to be held at the Offices of BDO, Level 11, 1 Margaret Street, Sydney, on Wednesday 25 November 2015 at 11:30am AEDT.

1. Financial Report

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2015 will be tabled before the meeting and is enclosed with this Notice of Meeting. There is no requirement for shareholders to approve these reports, however, the Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about the conduct of the audit and the content of the Auditor's Report.

2. Resolution 1: Adoption of Remuneration Report

The remuneration report of the Company for the financial year ended 30 June 2015 ("Remuneration Report") is set out on pages 17 to 18 of the Company's 2015 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director and staff. The Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the Remuneration Report at the meeting.

In addition, shareholders will be asked to vote on the Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the Managing Director, will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

A vote on the resolution must not be cast (in any capacity) by or on behalf of either of the following classes of persons:

- (a) A member of the key management personnel details of whose remuneration are included in the remuneration report;
- (b) A closely related party of such a member.

However such a person may cast a vote on the resolution if:

- (a) The person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) The vote is not cast on behalf of such a person.

3. Resolution 2: Re-election of Ian Mitchell as a Director

Pursuant to Listing Rule 14.4, a Director must not hold office without re-election past the third Annual General Meeting following the Director's appointment or three years, whichever is longer. A Director who retires in accordance with these requirements is eligible for re-election.

Pursuant to article 39.1 of the Company's Constitution and the Corporations Act, Ian Mitchell retires by rotation and, being eligible, offers himself for re-election.

4. Resolution 3: Create a New Class of Shares

4.1 General

Resolution 3 seeks Shareholder approval for the Company to be authorised to issue Performance Shares.

A company with a class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Section 264B of the Corporations Act, and clause 5.3 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the holders of the issued shares of the affected class; or
- (b) the written consent of the holders of 75% of the votes of the affected class.

The Company proposes to issue 1,000,000 Performance Shares to each of the Directors (subject to shareholder approval) upon the Company first commencing gold production from its Mt Porter (NT) tenement.

The Company proposes to issue a total of 3,000,000 Performance Shares (the terms and conditions of which are set out in Schedule 1).

The purpose of the issue of the Performance Shares is to reward the Directors for the considerable work, time and effort which they have expended in achieving production from the Company's Mt Porter tenement without receipt of other remuneration, other than Directors' fees as set out in the Remuneration Report (the payment of which has been deferred since March 2014 until 1 October 2016). If such production is not achieved within the prescribed timeframe, the Company will redeem the Performance Shares for a nominal amount (\$1).

The Company currently has one class of shares on issue namely fully paid ordinary shares (38,881,488).

The Company now seeks approval from Shareholder for the issue of a new class of shares, being the Performance Shares to be issued pursuant to this Notice of Meeting.

4.2 Terms and Conditions of Performance Shares

The terms and conditions of the Performance Shares are set out in Schedule 1. The key material terms are summarised below:

- (a) The vesting of the Performance Shares will not occur until the Company first commences gold production from its Mt Porter (NT) tenement.
- (b) The Performance Shares will be issued for nil consideration, as their primary purpose is to provide a performance linked incentive component to Directors to motivate and reward their performance in that role with the Company.
- (c) The Performance Shares will not convert to ordinary shares until such time as the condition referred to in (a) above has been satisfied. The right of the shares to vest expires on 30 June 2018.
- (d) Prior to conversion, the Performance Shares have no voting rights, dividend rights or other capital rights.
- (e) The Company has applied to the ASX for approval of the terms of the Performance Shares.

5. Resolutions 4 – 6: Issue of Performance Shares to Directors

5.1 General

As outlined in Section 4 of this Explanatory Memorandum, the Company proposes to issue Performance Shares to the Directors (on the terms and conditions set out in Schedule 1).

Under Resolutions 4–6, the Company proposes to issue the following Performance Shares:

Tony Corel	1,000,000 Performance Shares
Roger Jackson	1,000,000 Performance Shares
Ian Mitchell	1,000,000 Performance Shares

The purpose of the issue of the Performance Shares is to link part of the Directors' remuneration to gold production events and therefore provide an incentive to the Directors in their roles with the Company.

The Directors consider that it is reasonable for the remuneration of Directors to have a cash component and an equity component to further align directors' interests with those of Shareholders. The Directors also believe that the issue of the Performance Shares provides a reasonable and appropriate method to provide the Directors with cost effective remuneration and an equity based incentive and reward for their commitment and contribution to the Company as directors of the Company.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Section 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of Performance Shares constitutes giving a financial benefit and each of the Directors is a related party of the Company by virtue of their positions as Directors of the Company.

It is the view of the Company that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Performance Shares to the Directors.

As the Directors have a material personal interest in the issue of the Shares that are the subject of Resolutions 4–6, the Company seeks approval under Section 195 of the Corporations Act so that the Shareholders may pass a resolution to deal with this matter.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Performance Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.4 Information required by Corporations Act and ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 4–6:

- (a) the Performance Shares will be issued to each of the existing Directors (1,000,000 shares each);
- (b) the maximum number of Performance Shares to be issued is 3,000,000;
- (c) the issue of Performance Shares will occur upon the Company first commencing gold production from its Mt Porter (NT) tenement. Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(for a report on the Mt Porter (NT) Tenement, shareholders are referred to the Directors report in the 2015 Annual Report of the Company).

- (d) the Performance Shares will be issued for nil cash consideration and no funds will be raised;
- (e) the terms and conditions of the Performance Shares are set out in Schedule 1;

- (f) the value of the Performance Shares is \$75,000 per 1,000,000 Performance Shares based upon VWAP for the last 20 business days of trading in the Company's shares (\$0.075);
- (g) the relevant interest of the Directors in securities of the Company is set out below (excluding the Performance Shares to be issued under Resolutions 4–6):

Director	Securities Held (directly or indirectly)
Tony Corel	208,010 fully paid ordinary shares
Roger Jackson	1,788,384 fully paid ordinary shares
Ian Mitchell	3,122,449 fully paid ordinary shares

- (h) the Directors' remuneration for the previous financial years is as set out below:

Director	Amount (per annum)
Tony Corel	FY 2014: \$60,000 FY 2015: \$60,000
Roger Jackson	FY 2014: \$124,831 FY 2015: \$125,000
Ian Mitchell	FY 2014: \$40,000 FY 2015: \$40,000

- (i) If the Performance Shares under Resolutions 4–6 are issued and vested in accordance with the vesting condition, a total of 3 million shares would be issued. This will increase the number of Shares on issue from 38,881,488 to 41,881,488 shares (assuming that no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.16% in respect of the 3 million Shares that would be issued to related parties until Resolutions 4–6.
- (j) the Directors acknowledge the grant of Performance Shares to a Director is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Performance Shares under Resolutions 4–6 reasonable in the circumstances for the following reasons:
- (i) the grant of Performance Shares, in particular, the vesting condition of the Performance Shares, will align the Directors' interests with those of Shareholders;
 - (ii) the grant of the Performance Shares is a reasonable and appropriate method to provided cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations that it would if alternative cash forms of remuneration were given to the Directors; and

- (iii) it is not expected that there are any significant opportunity costs to the Company foregone by the Company in granting the Performance Shares upon the terms proposed;
- (k) the primary purpose of the grant of the Performance Shares is to provide a performance linked incentive component in the remuneration package for the Directors to motivate and reward their performance in their roles with the Company;
- (l) the Directors decline to make a recommendation to Shareholders in relation to Resolutions 4–6 due to each of their material personal interests in the outcome of the Resolutions (as applicable) on the basis that they are to be granted Performance Shares in the Company should Resolutions 4–6 be passed.
- (m) the Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4–6.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Shares under Resolutions 4–6 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Performance Shares under Resolutions 4–6 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. Resolution 7: Approval of Issue of Convertible Notes

On 13 March 2015, 1 June 2015 and 10 September 2015 the Company issued a total of \$250,000 in convertible notes (5,000,000 notes) **(Notes)** due to expire on the anniversary of each of the dates of issue (unless previously purchased, cancelled, redeemed or converted). The Notes carry a fixed coupon of 10% per annum, paid quarterly for the term of one year and are convertible into the Company's shares at a conversion price of \$0.05c per share. The closing price of the Company's ordinary shares on the ASX on 21 September 2015 was \$0.075 per share.

The proceeds of the Notes were used to pay for the ongoing development and exploration of the Company's tenements and for working capital.

Article 7 of the Constitution of the Company provides that the Directors of the Company may create and issue convertible securities on such terms as the Directors may decide.

Listing rule 7.1 provides that a listed company may issue or agree to issue shares or other equity securities (such as convertible notes) in aggregate up to 15% of the number of its fully paid ordinary shares within a 12 month period without shareholder approval.

The Company issued the notes to raise \$250,000 within the Company's 15% capacity without shareholder approval.

Pursuant to Listing Rule 7.4, Resolution 7 seeks shareholder approval to ratify the issue of that number of convertible notes (5,000,000) to renew the Company's ability and flexibility to issue new securities up to the 15% capacity specified by Listing Rule 7.1 in the forthcoming year.

The following information in relation to the Notes is provided to shareholders under ASX Listing Rules 7.3 and 7.5:

(a) The number of Securities Issued

The total number of securities issued was 5,000,000 Notes which are convertible to the Company's ordinary shares at a conversion price of \$0.05 each.

The number of ordinary shares to be issued on full conversion of the Notes is 5,000,000.

(b) The Date of Issue

The Notes were issued on 13 March 2015, 1 June 2015 and 10 September 2015. Issues of ordinary shares on conversion of the Notes will occur progressively depending on when and if the Notes are converted.

(c) The Price at which the Securities were Issued

The Notes were issued for a subscription price of \$250,000 in total.

(d) The Name of the Person to whom the Company Issued the Securities

Hazel Violet Dreger

(e) The Terms of the Securities

The key terms and conditions of the Notes are summarised above.

(f) The Use of the Funds Raised

The proceeds of the Notes were used to pay for the ongoing development and exploration of the Company's tenements and for working capital.

(g) Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Hazel Dreger and an associate of Hazel Dreger. However, the Company need not disregard such a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form as the proxy decides. The Board unanimously recommends that Shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote available proxies in favour of this resolution.

7. Resolution 8: Authority to issue and allot shares pursuant to Listing Rule 7.1A

7.1 General

Listing Rule 7.1A enables entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the Annual General

Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Company may use the 10% Placement Facility to acquire new business assets or investments, as part of the consideration for the acquisition of further business assets and/or for the working capital needs of the Company.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of special resolution at an Annual General Meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely fully paid ordinary shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(AxD)-E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) Plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) Plus the number of partly paid shares that became fully paid in the 12 months;
- (C) Plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4.
- (D) Less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 38,881,488 shares and has a capacity to issue:

- (i) 5,682,223 Equity Securities under Listing Rule 7.1; and
- (ii) Nil Equity Securities under Listing Rule 7.1A (existing unused Capacity expires on 24 November 2015)

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the Annual General Meeting at which the approved is obtained; or
- (ii) The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

7.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) The market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of approval; and
 - (ii) The Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) and assuming that the shares proposed to be issued and allotted pursuant to Resolution 8 are so issued and allotted .

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company will have on issue after the issue of shares contemplated by Resolution 8. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.037 50% decrease in Issue Price	\$0.075 Issue Price	\$0.15 100% increase in issue price
Current Variable A 41,669,636 shares	10% Voting Dilution	4,166,963	4,166,963	4,166,963
	Funds raised	\$156,261	\$312,522	\$625,044
50% Increase in current Variable A 62,504,454 shares	10% Voting Dilution	6,250,445	6,250,445	6,250,445
	Funds raised	\$234,391	\$468,783	\$937,566
100% increase in current Variable A 83,339,272 shares	10% Voting Dilution	8,333,927	8,333,927	8,333,927
	Funds raised	\$312,522	\$625,044	\$1,250,088

The table has been prepared on the following assumptions

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example is 10%.
 - (iii) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue price is \$0.075 being the closing price of the Shares on ASX on 18 September 2015.
 - (vi) Including that the shares proposed to be issued pursuant to Resolution 8 have been issued.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of new mining tenements and

development of its existing tenements. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards the acquisition of new mining tenements and development of its existing mining tenements (including expenses associated with such acquisition) and working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) The methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing securities holders can participate;
- (ii) The effect of the issue of the Equity Securities on the control of the Company;
- (iii) The financial situation and solvency of the Company; and
- (iv) Advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new business assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new business assets or investments.

- (e) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 25 November 2014. No shares were issued and allotted pursuant to such approval.
- (f) Ark has issued 1,000,000 shares during the past twelve months. Those shares were issued and allotted by the Company by a placement of ordinary fully paid shares made pursuant to Listing Rule 7.1 on 24 March 2015.
- (g) Voting exclusion statement is set out hereunder. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7.5 Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by:

- A person who may participate in any issue of the shares and a person who might

obtain a benefit, except a benefit solely in the capacity of a holder of the shares, if the resolution is passed; and

- An associate of that person.

However, the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Schedule 1 – Terms of Performance Shares

A total of 3,000,000 Performance Shares will be issued subject to Shareholder approval at the Meeting.

Each (1) Performance Share is convertible into (1) fully paid ordinary share in the capital of the Company, upon the Company first commencing gold production from its Mt Porter (NT) tenement.

The Performance Shares are proposed to be issued and allotted as follows:

Name	Position	Shares
Tony Corel	Chairman & Non-Executive Director	1,000,000
Roger Jackson	Managing Director	1,000,000
Ian Mitchell	Non-Executive Director Company Secretary	1,000,000
TOTAL		3,000,000

- the Performance Shares will be issued for nil consideration, as their primary purpose is to provide a performance linked incentive component in the remuneration of the persons listed above, to motivate and reward their performance in their roles with the Company.
- the Performance Shares will not convert to ordinary Shares until such time as the vesting condition referred to above has been satisfied.
- the Company will apply to the ASX for approval of the terms of the Performance Shares.
- if the vesting condition is not achieved by the expiry date of 30 June 2018, the Performance Shares will be redeemed for a total nominal sum of \$1.00.
- the Performance Shares are otherwise subject to the following standard terms and conditions:
 - (a) **(Performance Shares):** Each Performance Shares is a share in the capital of Ark Mines Limited;
 - (b) **(General Meetings):** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Ark that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of Ark;
 - (c) **(No Voting Rights):** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of Ark;
 - (d) **(No Dividend Rights):** The Performance Shares do not entitle the Holder to any dividends;

- (e) **(Rights on Winding Up)**: The Performance Shares do not entitle the Holder to participate in the surplus profits or assets of Ark upon winding up of Ark.
- (f) **(Not Transferable)**: The Performance Shares are not transferable;
- (g) **(Reorganisation of Capital)**: If at any time the issued capital of Ark is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation;
- (h) **(Application to ASX)**: The Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into fully paid ordinary shares (**Shares**), Ark must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX;
- (i) **(Participation in Entitlements and Bonus Issues)**: Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Shares arising from the conversion on ASX;
- (j) **(Change in Control Event)** means:
 - the occurrence of:
 - (A) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptance in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
 - the announcement by Ark that:
 - (A) shareholders of Ark have at a Court convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, approves the scheme of arrangement,

but, for the avoidance of doubt does not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of Ark.
- (k) **(Change in Control)**: If as a result of a Change in Control Event occurring, any performance milestone is triggered in accordance with the terms above, the maximum number of Performance Shares that can be converted into Shares and issued upon a Change in Control Event occurring must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control Event). Ark shall ensure a pro-rata allocation of Shares issued under this clause to all Performance Shareholders.
- (l) **(No Other Rights)**: The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Dated: 19 October 2015

Ian B. Mitchell
Director/Secretary