

Ark Mines Limited (ACN: 123 668 717)

Notice of Extraordinary General Meeting

TIME: 10:00am Sydney time
DATE: Friday, 24 September 2021
PLACE: Sanlam Private Wealth, Level 2
33 York Street, Sydney NSW 2000

This notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting. Please contact the Company Secretary on +61 (2) 9232 5444 or ian@mitchellandsmith.com.au if you wish to discuss any matter concerning the Meeting.

The Transaction to be considered at the Meeting requires security holder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming.

The Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction may not proceed if those requirements are not met.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the official list and to quote its securities and therefore the Transaction may not proceed if ASX exercises that discretion.

Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

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Ark Mines Limited
ACN 123 668 717

Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting of the Shareholders of Ark Mines Limited will be held at Sanlam Private Wealth, Level 2, 33 York Street, Sydney NSW 2000 at 10am (Sydney time) on Friday 24 September 2021 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders can vote by attending the Meeting by returning a completed Proxy Form or attending the Meeting in person. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 10am (Sydney time) on 22 September 2021.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (Sydney time) on 22 September 2021.

AGENDA

RESOLUTION 1 - APPROVAL OF ACQUISITION OF MIJ HOLDINGS PTY LIMITED

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

“That, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, Shareholders approve the acquisition of MIJ Holdings Pty Limited on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 2 - APPROVAL TO ISSUE ACQUISITION SHARES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 9,000,000 Shares to Bmax Pty Limited or its nominees pursuant to the Acquisition on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 3 - APPOINTMENT OF BENJAMIN EMERY AS DIRECTOR

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

“That, for the purposes of clause 37.3(b) of the Company’s Constitution and for all other purposes, Shareholders approve the appointment of Mr Benjamin Emery as a Director of the Company, with effect from completion of the acquisition of MIJ Holdings.”

A voting exclusion statement is set out below.

RESOLUTION 4 - CONSOLIDATION

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

“That, for the purposes of section 254H of the Corporations Act, clause 20.1 of the Company’s Constitution and for all other purposes, Shareholders approve the consolidation of the Company’s Shares on a 20 to 1 basis on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 5 - APPROVAL OF PUBLIC OFFER

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 25,000,000 Shares under the Public Offer at an issue price of \$0.20 per Share and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 6 - APPROVAL OF DIRECTOR PARTICIPATION IN PUBLIC OFFER - ROGER JACKSON

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 500,000 Shares to Roger Jackson or his nominees under the Public Offer on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 7 - APPROVAL OF DIRECTOR PARTICIPATION IN PUBLIC OFFER -ANTONY COREL

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 500,000 Shares to Antony Corel or his nominees under the Public Offer on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 8 - APPROVAL OF DIRECTOR PARTICIPATION IN PUBLIC OFFER - IAN MITCHELL

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 500,000 Shares to Ian Mitchell or his nominees under the Public Offer on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 9 - APPROVAL OF LOAN PLACEMENT TO UNRELATED DOCA LENDERS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,475,000 Shares, with 2 attaching Options for every Share issued, to the Unrelated DOCA Lenders on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 10 - APPROVAL OF LOAN PLACEMENT TO ROGER JACKSON

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 800,000 Shares, with 2 attaching Options for every Share issued, to Roger Jackson or his nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 11 - APPROVAL OF LOAN PLACEMENT TO ANTONY COREL

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 791,230 Shares, with 2 attaching Options for every Share issued, to Antony Corel or his nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 12 - APPROVAL OF REIMBURSEMENT PLACEMENT TO ROGER JACKSON

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 152,000 Shares, with 2 attaching Options for every Share issued, to Roger Jackson or his nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 13 - APPROVAL OF REIMBURSEMENT PLACEMENT TO ANTONY COREL

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 120,000 Shares, with 2 attaching Options for every Share issued, to Antony Corel or his nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 14 - APPROVAL OF REIMBURSEMENT PLACEMENT TO IAN MITCHELL

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 148,020 Shares, with 2 attaching Options for every Share issued, to Ian Mitchell or his nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 15 - APPROVAL OF PRE-RTO PLACEMENT

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,000,000 Shares to the Pre-RTO Investors or their nominees on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

ASX Listing Rules

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 1 – Approval of acquisition of MIJ Holdings Pty Limited	Bmax Pty Limited, as a counterparty to the transaction and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of *ordinary securities in the entity) and their associates.
Resolution 2 – Approval of issue of Acquisition Shares	Bmax Pty Limited and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder) and their associates.
Resolution 5 – Approval of Public Offer	Any person who is expected to participate in, or who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder) and their associates.
Resolution 6 – Approval of participation in Public Offer by Roger Jackson	Roger Jackson and his associates.
Resolution 7 – Approval of participation in Public Offer by Antony Corel	Antony Corel and his associates.
Resolution 8 – Approval of participation in Public Offer by Ian Mitchell	Ian Mitchell and his associates.
Resolution 9 – Approval of DOCA Loan Placement to Unrelated DOCA Lenders	Unrelated DOCA Lenders and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder) and their associates.
Resolution 10 – Approval of DOCA Loan Placement to Roger Jackson	Roger Jackson and his associates.
Resolution 11 – Approval of DOCA Loan Placement to Antony Corel	Antony Corel and his associates.

Resolution 12 – Approval of Roger Jackson and his associates.
Reimbursement Placement to Roger Jackson

Resolution 13 – Approval of Antony Corel and his associates.
Reimbursement Placement to Antony Corel

Resolution 14 – Approval of Ian Mitchell and his associates.
Reimbursement Placement to Ian Mitchell

Resolution 15 – Approval of Pre-RTO Lenders and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a Shareholder) and their associates.
Placement

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board of Directors

Mr Ian Mitchell
Company Secretary
24 August 2021

Explanatory Statement

1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Sanlam Private Wealth, Level 2, 33 York Street, Sydney NSW 2000 at 10am (Sydney time) on 24 September 2021. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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Any forward looking statements in this Explanatory Statement are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of both the Company and MIJ Holdings Pty Ltd (**MIJ Holdings**), and their respective boards, which could cause actual results, performance or achievements expressed or implied by forward-looking statements in this Explanatory Statement.

This Explanatory Statement does not take into account any person's investment objectives, financial situation or particular needs. If you are in any doubt about what to do in relation to the Meeting you should consult your financial or other professional advisor.

ASX takes no responsibility for the contents of the Notice or Explanatory Statement.

The Company is proposing to undertake a 1 for 20 share consolidation, and references to the Company's Shares are on a post-consolidation basis, unless otherwise stated.

A Proxy Form is located at the end of this Explanatory Statement.

Please contact the Company Secretary on +61 (2) 9232 5444 or by email at ian@mitchellandsmith.com.au if you wish to discuss any matter concerning the Meeting.

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Voting by Proxy

To vote by proxy, please complete and sign and return the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolutions.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 9am (Sydney time) on 22 September 2021. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders can appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions.

The Chair intends to vote all undirected proxies in favour of each Resolution.

2.2 Voting in person

The Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting.

2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (Sydney time) on 22 September 2021.

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

3 BACKGROUND

3.1 Introduction

The Company's Shares were suspended from trading on ASX on 25 September 2019 following the appointment of administrators to the Company. The appointment occurred as a result of the material increases in the operating costs of the Company's then Mt Porter gold project in Pine Creek, Northern Territory as a result of the closing of a nearby processing plant that the Company intended to use.

Following the Company suspending operations at Mt Porter, Ark's secured creditor Chan Investments placed the Company into voluntary administration. The Company's administrators sold Ark's remaining assets to help fund the repayment of the Company's secured creditors, as well as the cost of administration. On 16 June 2021, following satisfaction of a deed of company arrangement (**DOCA**) which included an agreed contribution sum and other expenses being procured by the Directors and paid to the administrators, control of Ark was handed back to the Company's Directors; this amount being raised through loans totaling approximately \$706,623 from the Directors and others (together the **DOCA Contributions**). The DOCA Contributions enabled the administrators to pay a dividend of 100c in the dollar to all unsecured creditors.

On 24 August 2021 the Company announced the proposed acquisition of MIJ Holdings, a capital raising of up to \$5 million and the repayment of debts owed by the Company of approximately \$950,000 (including the DOCA Contributions) through the issue of Shares (together the **Transaction**). The Transaction is conditional upon Shareholder approval and the Company's Shares being reinstated to trading. Reinstatement will require the Company to re-comply with the admission requirements of ASX.

The purpose of the Meeting is to obtain the necessary Shareholder approvals for the Transaction.

MIJ Holdings holds 3 projects located in the prolific Mt Garnet and Greenvale mineral fields of Northern Queensland. Further details on MIJ Holdings and its projects are contained in sections 3.2 and 4.

The proposed financial position and capital structure following the Transaction are detailed in sections 3.6 and 3.7. The Company's current Directors (and who were Directors at the time the Company went into administration), Messrs Tony Corel,

Roger Jackson and Ian Mitchell, will remain on the Board and the controller of MIJ Holdings, Mr Ben Emery, will be appointed a Director.

ASX policy is to remove a company that has been suspended for more than 2 years. ASX has a discretion to grant a short extension if the company is in the final stages of implementing a transaction that will lead to the company's shares being reinstated to trading. Ark is currently working on those stages, including preparing a prospectus. Any reinstatement to trading is at ASX's discretion.

3.2 MIJ Holdings

MIJ Holdings is an entity recently incorporated by Bmax Holdings Pty Ltd (**Bmax**) to hold three projects controlled by Bmax.

Ark has agreed, subject to conditions, to purchase MIJ Holdings for 9 million Shares (**Acquisition Shares**). The terms upon which Ark will acquire MIJ Holdings is set out in section 4.2.

MIJ Holdings, through three wholly-owned subsidiaries, has a 100% interest in three projects in Queensland (**Figure 1**), made up of three exploration permits (**Table 1**) (**Projects**).

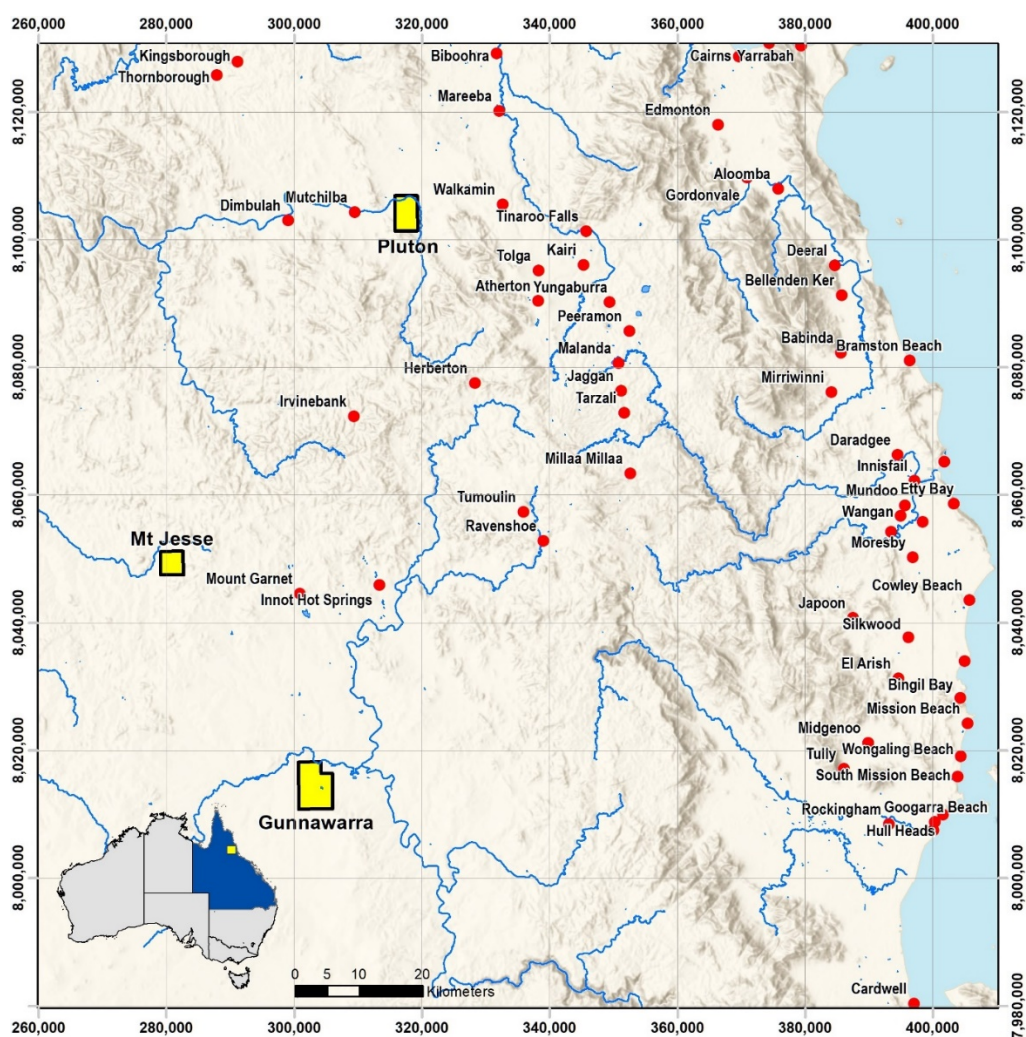


Figure 1: Location of MIJ Projects

The Projects appear to contain a number of historical results which demonstrate potentially high-grade/highly-anomalous mineralised occurrences, however the Company has determined that additional due diligence is required to be undertaken to confirm data quality and detail.

Table 1: Tenement Details

Permit	Project	Grant	Expiry	Area (ha)	Area (km ²)
EPM26464	Mt Jesse	6/10/2019	6/10/2021	1,240	12.4
EPM26560	Gunnawarra	24/11/2019	24/11/2021	3,410	34.1
EPM26883	Pluton	8/3/2021	8/3/2023	1,860	18.6
Total				6,510	65.1

(a) Gunnawarra Nickel-Cobalt Project (EPM 26560)

Project Overview

The Gunnawarra cobalt-nickel project sits in exploration permit EPM 26560 and is located ~10kms from the town of Greenvale in far-north Queensland (**Figure 2**). The project is close to existing infrastructure, including grid power, water and access to port facilities.

The region around Greenvale has a long mining history, predominately for nickel, cobalt, gold, tin and zinc, and forms part of the Greenvale nickel province, which has produced ~\$7bn of nickel and cobalt between 1974 and 1992.

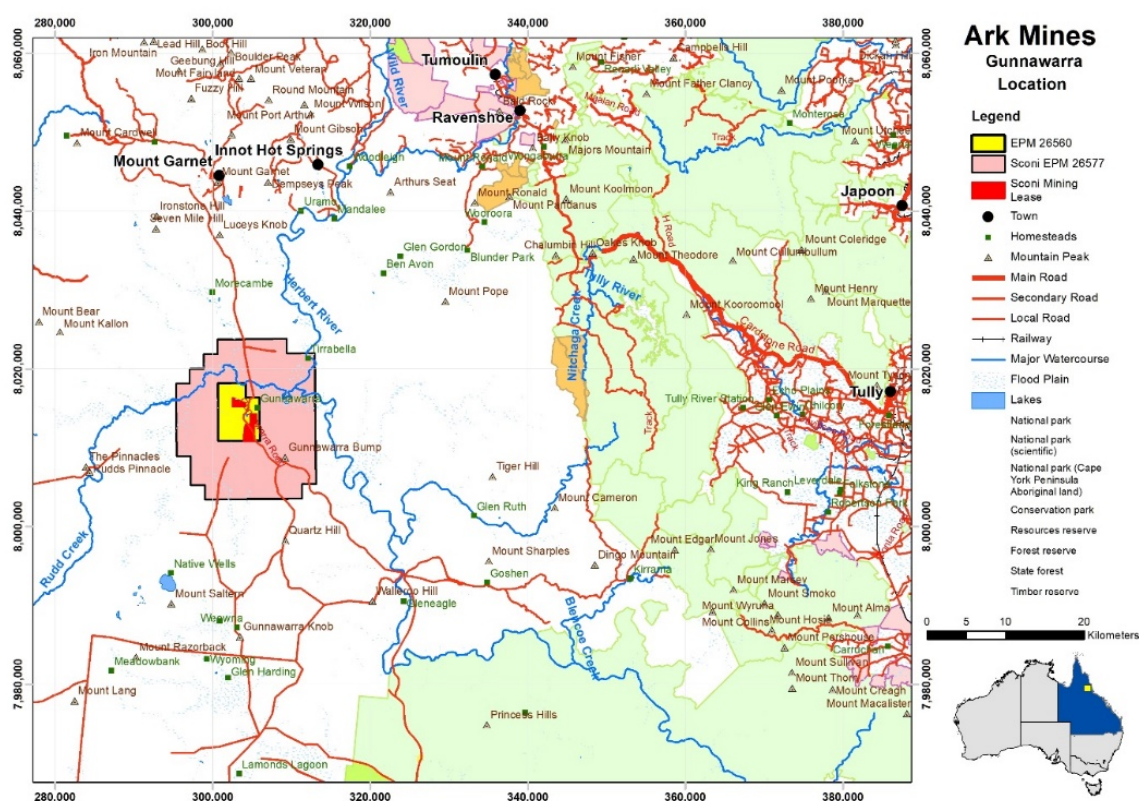


Figure 2: Gunnawarra project location, northern Queensland.

Local Geology

The Gunnawarra nickel – cobalt laterite deposits have formed on ultramafic rocks that include serpentinites, meta gabbro's and pyroxenites (**Figure 3**). These occur as fragments of lower crust material rich in iron, magnesium and nickel and are likely to be emplaced by shears and faults. This tectonic activity has conveyed the ultramafic fragments into the Proterozoic Shield and the Tasman Orogenic Belt, comprising Proterozoic meta – sedimentary schists and meta gabbro's. Ordovician volcanogenic sediments and granitoids, and Devonian limestone are overlain by basalts.

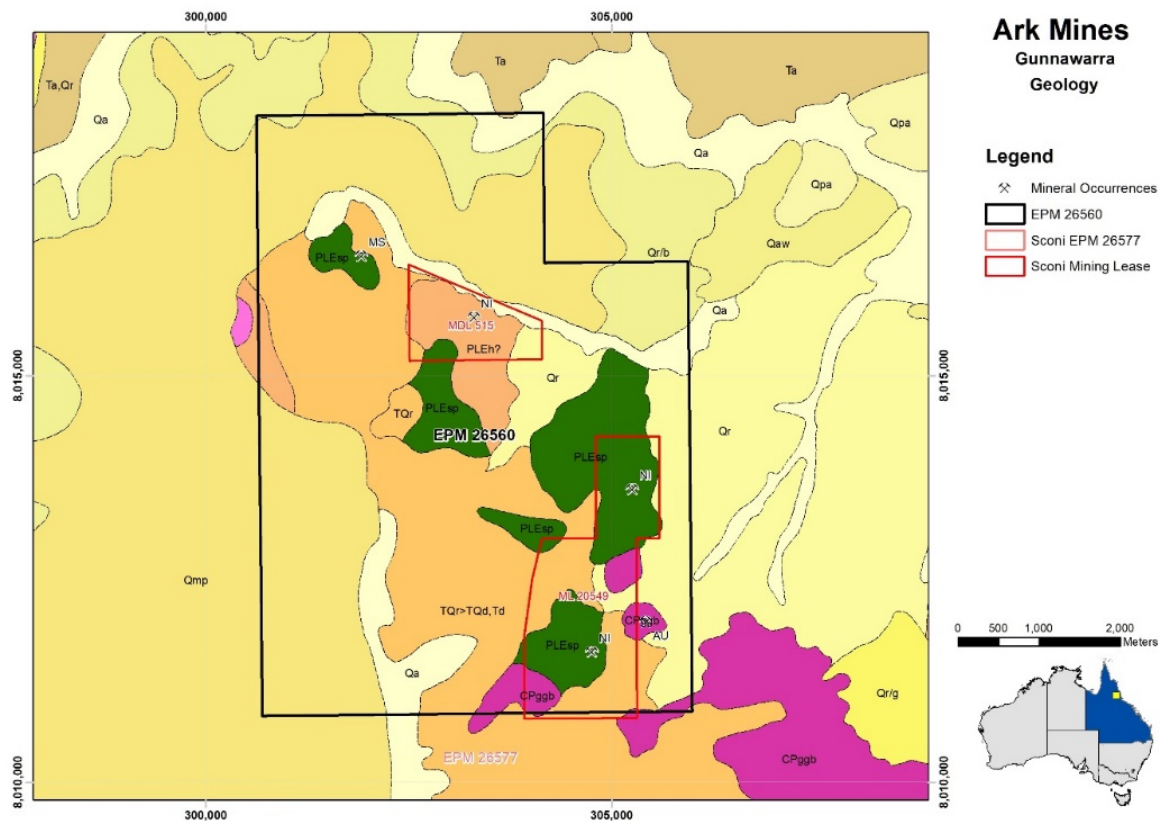
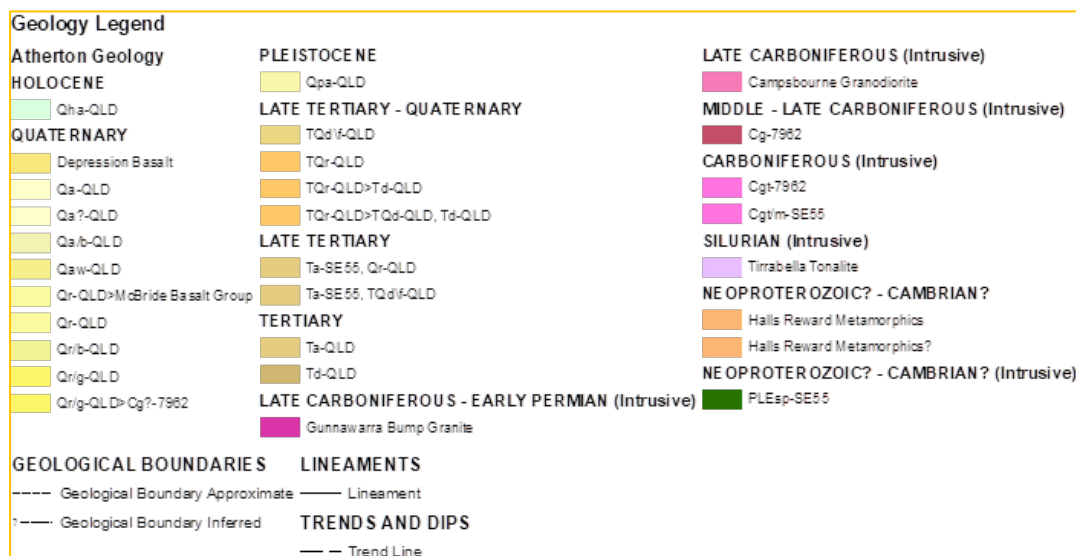


Figure 3: Gunnawarra interpreted geology.



Mineralisation Style

The Gunnawarra project is centred on a lateritic Ni cobalt mineralisation. Capped by surface expressed Ni Gossans. EPM 26560 surrounds the Bell Creek resource a component of the Sconi cobalt project owned by Australian Mines Limited (ASX:AUZ) (**Figure 4**). The two Bell Creek MLs sitting within 26560 have a resource of 25.8m tonne of Nickel equivalent 0.86% Ni (21 October 2019 Australian Mines announcement – prepared by CSA Global to 2012 JORC Code). The permit has areas of laterites which have formed on ultramafic rocks that include serpentinites, meta gabbro's and pyroxenites. Diagnostic features of the Ni – Co – Cu gossans found on Gunnawarra include high Ni- Co Cu along with high Pd - Pt with low Cr- Mn – Zn and Pb.

Previous Exploration

Historical exploration within the permit includes soil and rock chip sampling, geological mapping and regional airborne magnetics.

Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out follow-up sampling, detailed geophysical interpretation, and undertake Shallow RC drilling along strike of the Bell Creek resource, and on other targets within the lease. A component of the drilling will focus on the basement rocks for sulphide mineralisation.

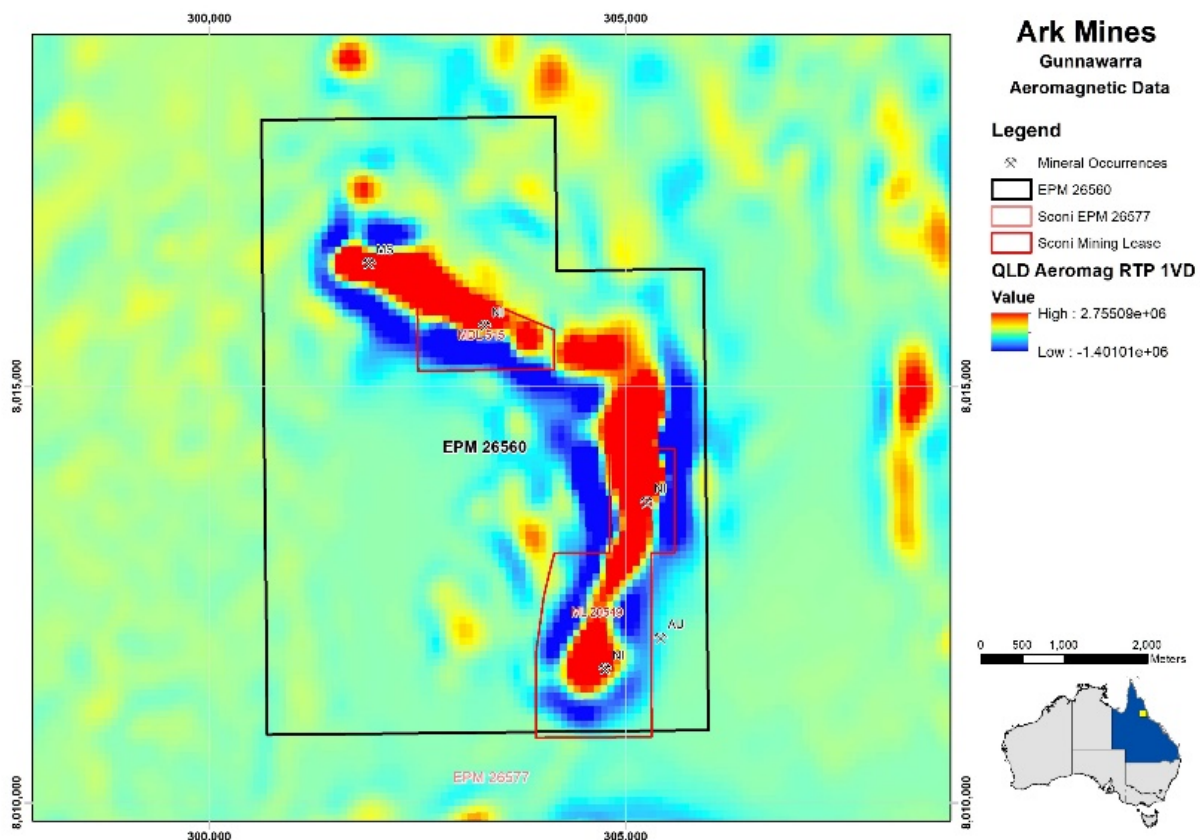


Figure 4: Aeromag over the Gunnawarra project shows strong continuity from the Bell Resource Mining Licences into EPM 26560

(b) Pluton porphyry gold project

Project Overview

The Pluton Gold and Gold porphyry project consists of a granted EPM 2688, which is located near the town of Dimbulah in far-northern Queensland (**Figure 5**). The project is prospective for gold and associated base metals.

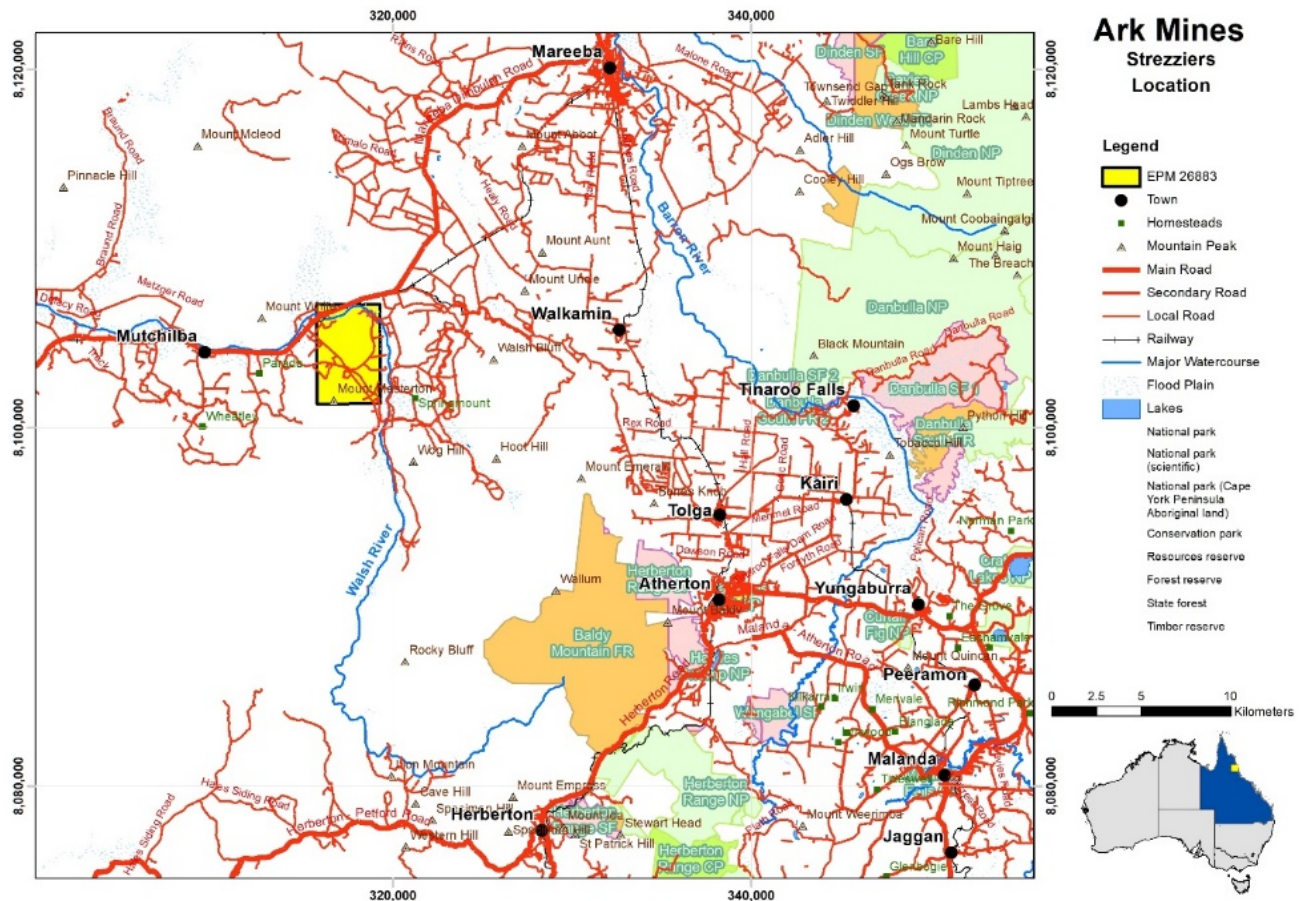


Figure 5: Pluton project Location, northern Queensland.

Local Geology

The geology of the Pluton project is shown in (**Figure 6**). Stratigraphic units within the basement rocks can be differentiated only locally, owing to metamorphic effects and the intensity of deformation. Tertiary rocks are locally present at the western application boundary and in the southeast. The contact between basement and Tertiary sediments is frequently characterised by an irregular zone of deep weathering and leaching of the basement rocks beneath the contact. Tertiary outliers, comprising fluvial and lacustrine deposits of the Eocene Highburn Formation and the Oligocene-Miocene Wedderburn Formation are locally capped by basalt flow remnants belonging to the Pliocene Waipiata volcanics (Murfitt, 1997).

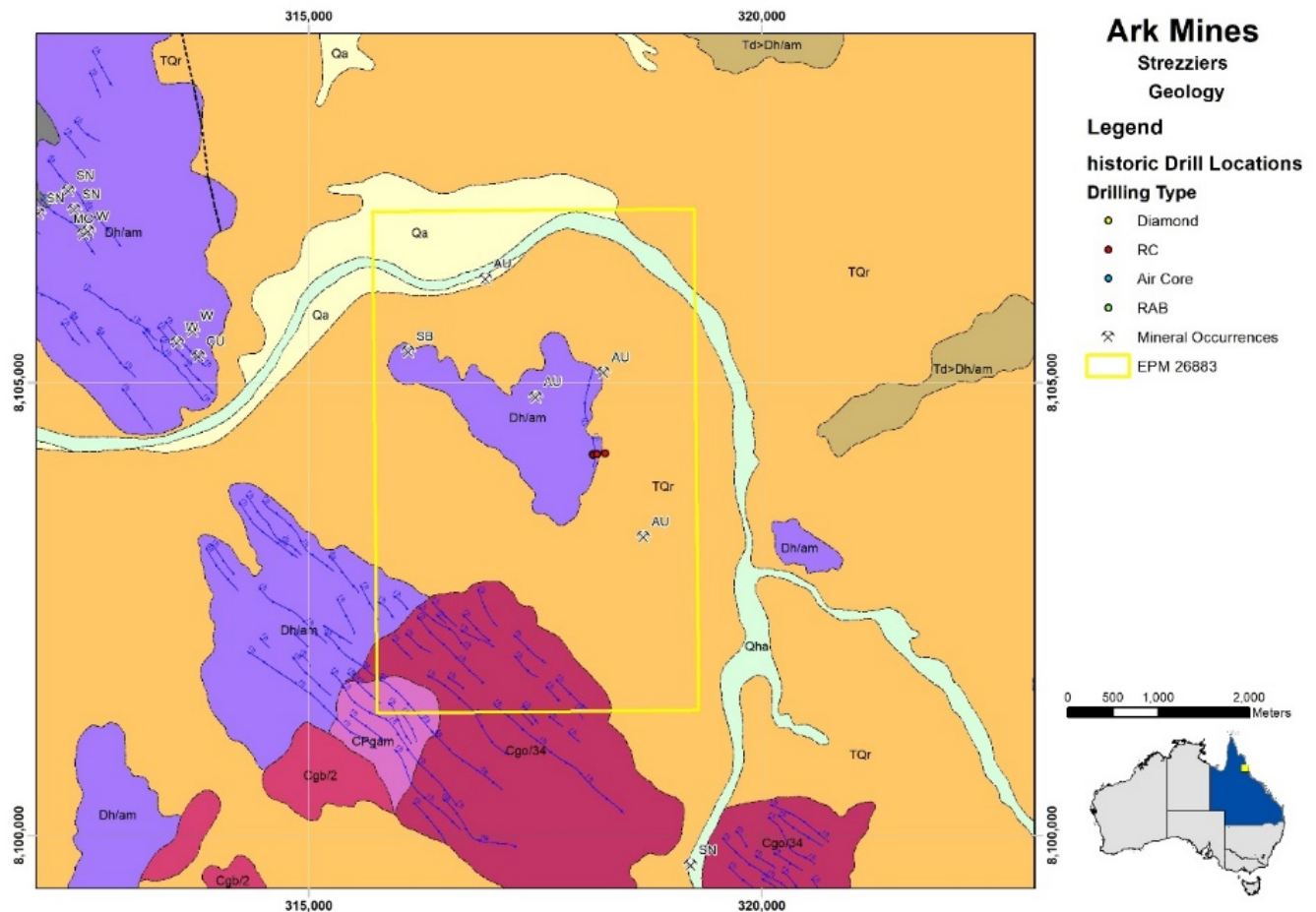


Figure 6: Geological map of the Pluton project.

Previous Exploration

CRAE undertook significant work during the late 1980's including detailed mapping, geochemistry and geophysics of the breccia zone of the Pluton Prospect. An IP survey was carried out to define drill targets. CRAE also identified the Pluton prospective porphyritic dacite dykes and associated annular collapsed breccia as the best remaining target.

The Pluton project has had some drilling undertaken, with an intersection of 48m at 0.26g/t Au from 30m downhole. (Malachite May 2006 ASX: MAL)

Exploration work by Malachite Resources on Pluton targeted the breccia zone. Most of the breccia consists of angular sandstone fragments with a finer matrix.

15 surface rock chip samples were taken from breccia, quartz veined breccia, sulphide breccia and quartz veined sandstone. The test results were highly anomalous particularly for gold (9.94 g/t), Bismuth (730ppm) and lead (1230 ppm).

Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out infill soil sampling and detailed soil sampling over some targeted locations, detailed geophysical interpretation, and further step out drilling from the previous drilling.

(c) Mt Jesse Iron with Copper Project (EPM 26464)

Project Overview

The Mount Jesse Iron with Copper project consists of one exploration permit (EPM 26464), which is located ~176km from Cairns in far-north Queensland (**Figure 7**).

The project covers three exposed iron formation occurrences, the main one of these occurs layered over fractured granodiorite. The iron formations are massive and homogenous, composed of hematite and magnetite, with strong magnetism. Associated with the Iron is a copper carbonate occurrence (malachite and bornite), in fractured plains.

The project is centered on a copper rich magnetite skarn which potentially is associated with porphyry style mineralisation within a granodiorite. The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the nearby Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.

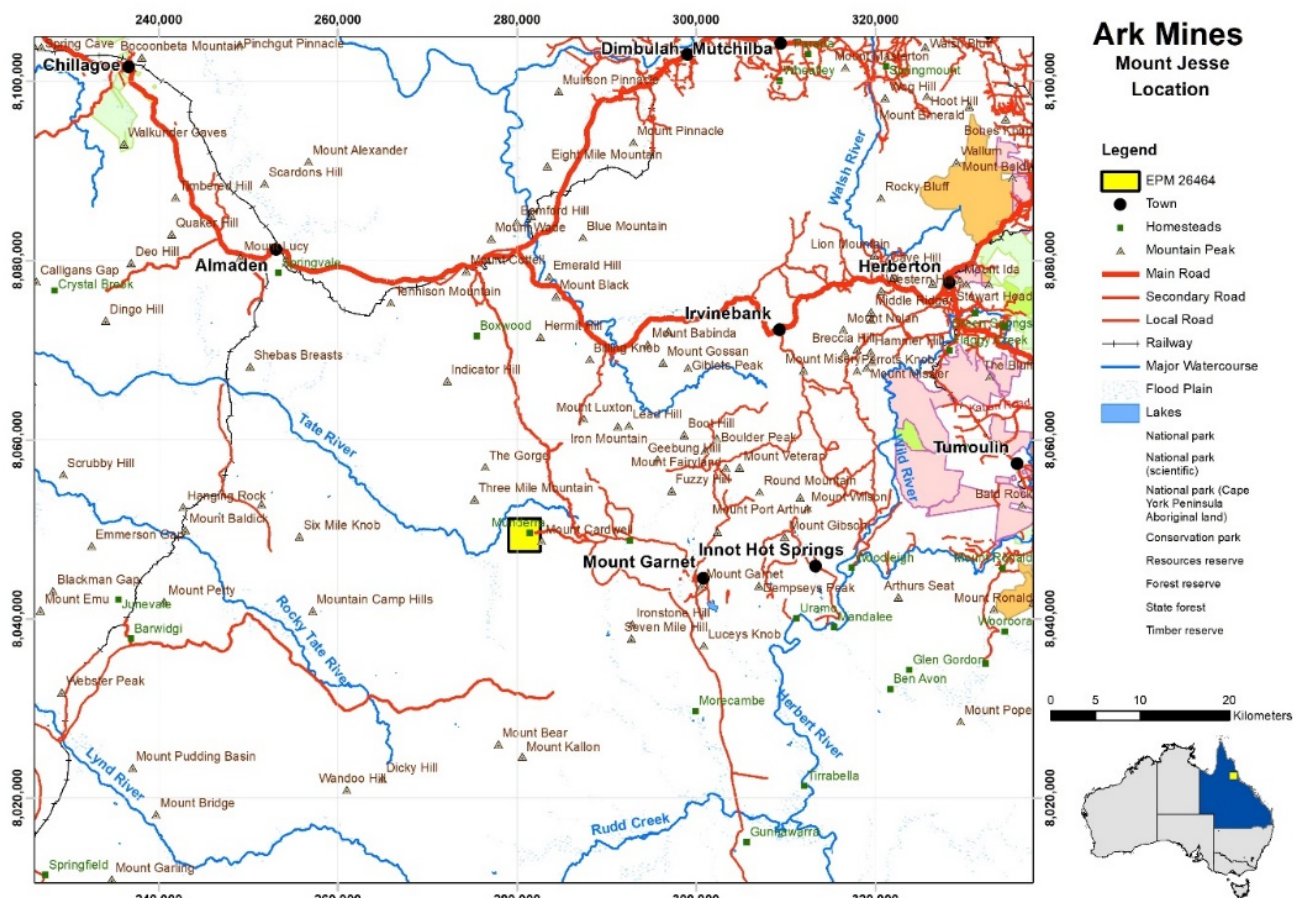


Figure 7: Mt Jesse Project Location

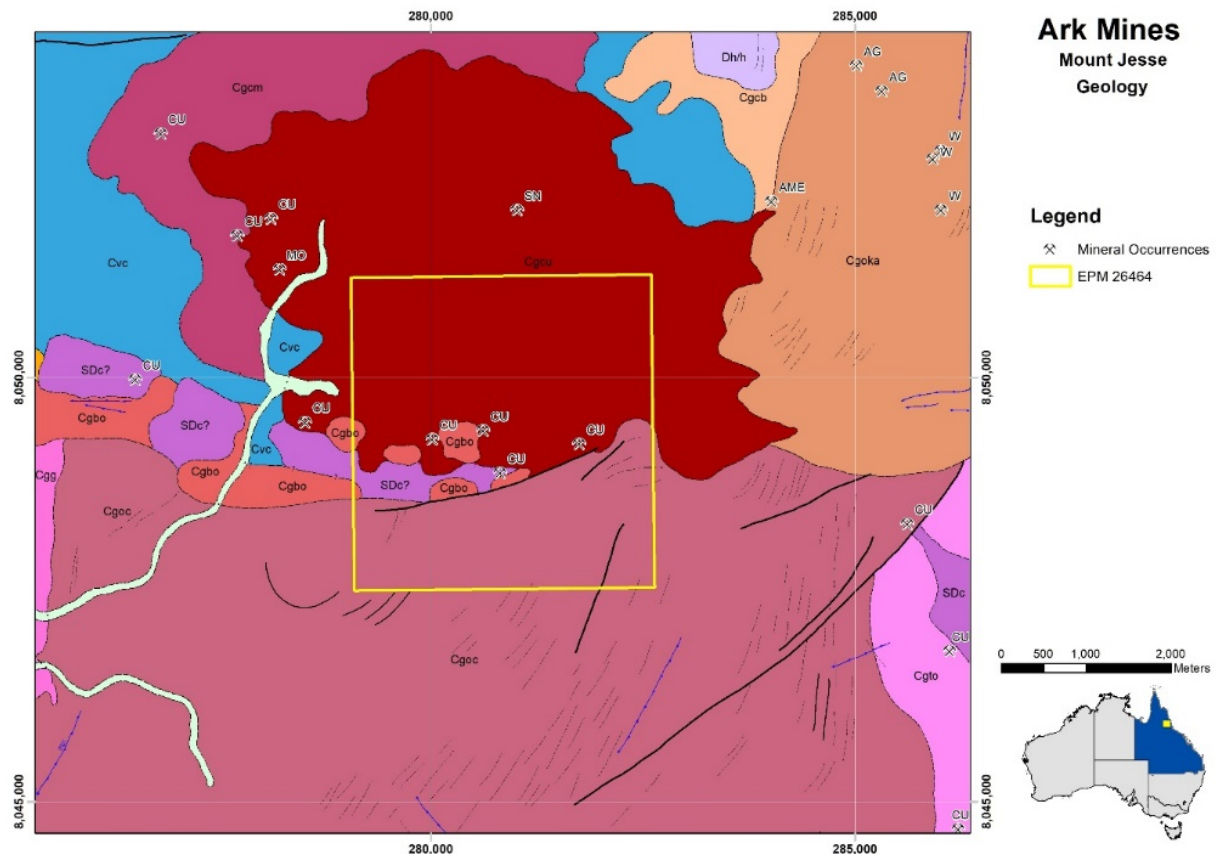
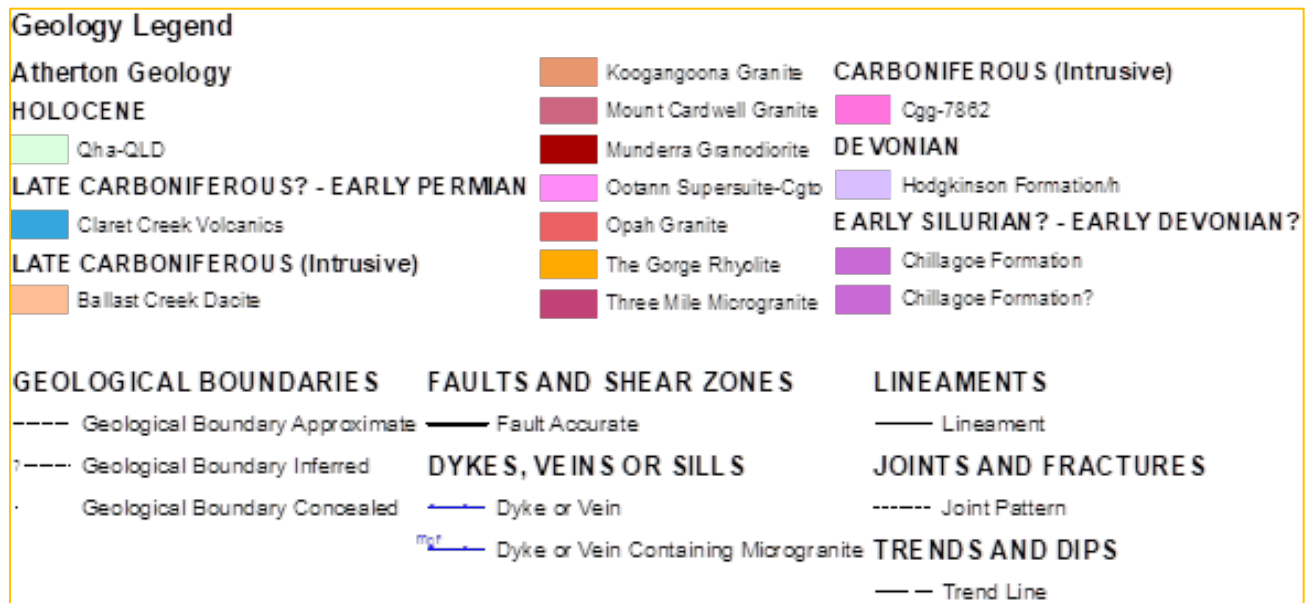


Figure 8: Mt Jesse Project Geological Map Location



Local Geology

The local geology is centred on the “Claret Creek ring Structure” which caps the permo – Carboniferous granite which underlies the Jesse project. The ring structures are surrounded by younger late carboniferous granites (**Figure 8**).

Slivers of Silurian sediments are representative of the remnant country rock, make up a minor portion of the exposed outcrop, the majority of the project is masked by

quaternary cover. Hydrothermal fluids have reacted with Silurian limestone / limey sediments to produce magnetite skarn +/- base metal deposits in a number of localities (e.g. Mt Cardwell workings & Jean Prospect).

Mineralisation Style

The mineralisation encountered at Jesse consists of iron and copper and occurs in the Chillagoe formation as seen at Mt Lucy and Mt Paddy. The mineralisation is hosted in a skarn deposit with an intrusive granite intruding a sedimentary body (Chillagoe formation) and causing contact metamorphism and depositing iron and in places copper where conditions/ lithology are favourable.

The mineralisation appears to sit above the granite and hug the contacts between the granite and Chillagoe formation as seen at the Mt Lucy deposit. The main area of mineralisation (Mount Cardwell mine) is situated on a small hill and contains zones of strong magnetite (which has been oxidised in places to haematite) with associated copper to a lesser extent. The copper occurs as malachite however it would have originally been a sulphide species that has been oxidised as the malachite predominantly occurs in fractures in the mineralised zones.

Lam et al 1988 lists the Mount Cardwell mine (the main area of mineralisation at Jesse) as producing 1500t of skarn ore at 1% Cu and 10g/t Ag from 1904 to 1908. Company report 64480 by Intermet lists the ore minerals for Mount Cardwell as chalcopryrite and bornite with minor galena, sphalerite and silver ores.

The mineralisation at the Mount Cardwell mine is constrained by granite which is visible on all sides of the small hill. Several other small lenses of mineralisation can be seen to the west of Mount Cardwell where the Chillagoe formation has not been eroded or completely destroyed by the granite intrusives. There is a strong correlation between the copper and the iron mineralisation, however, they do not always occur together and it is likely that the copper is only seen in zones that endured higher temperatures.

Multiple pits (of various sizes and depths), diggings and workings exist on the EPM. The pits and workings west of the Mount Cardwell mine would have most likely been searching for further zones of copper enrichment within the Chillagoe formation. The Chillagoe formation can be seen further to the west of the Mount Cardwell mineralisation however the mineralisation was found to dissipate on the surface after approximately 800m of non-continuous small poddy outcrops.

Previous Exploration

The Cardwell copper deposit, which was mined in the late 19th Century comprises small open cuts, two shafts and an adit. These provided access to a skarn style deposit rich in chalcopryrite and bornite with minor galena, sphalerite and silver ores. Work at the mine was relatively short lived, with closure of the mine in the early 20th century due to carriage costs and low metal prices.

The Mt. Cardwell Copper Deposit contains a 90m long magnetite-hematite copper-stained gossan averaging nine metres in width sited above the old workings. Copper

has been observed on ground surface in stockwork fracturing and sheeted quartz veins within skarn altered metasediments and fractionated acidic intrusives, as well as on the iron rich gossan. Additional iron +/- copper gossan outcrop has been mapped for some 380m along strike to the west from the old workings.

Historical soil and rock-chip sampling undertaken by InterMet Resources in 2007 encountered copper value up to 20.9%, with an anomalous copper zone identified over an area of 170m by 40m across the summit of a hill within the permit. Additionally, InterMet uncovered gold grades up to 3g/t.

InterMet carried out geophysical surveys at Mount Jesse (including ground-based magnetic and gravity surveys), which highlighted a north-east striking magnetic high which was used to target first pass drilling at the project. InterMet drilled 10 reverse circulation holes between 2008 and 2011, with drilling identifying areas of elevated iron ore (up to 22.65%) and copper (up to 2.11%) (**Figure 9**).

Coincidentally circa 3.5 km to the South East of Mt Jesse, Tableland Mining Group are now in the final stages of a significant drill program targeting 8-9MT of iron ore. TMG plan to mine and produce a high-grade iron ore concentrate targeting 66-68% Fe grade.

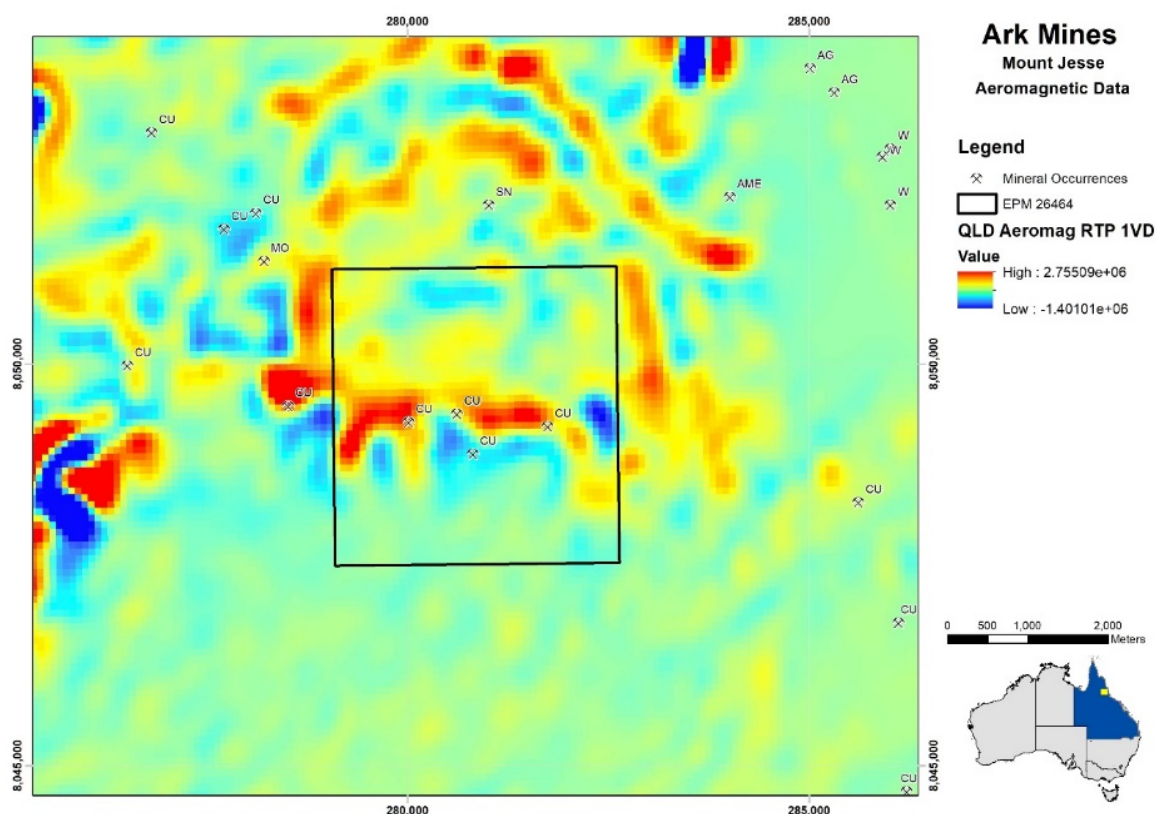


Figure 9: Aeromagnetics, Mt Jesse Project.

Exploration Potential

Following completion of the Acquisition, Ark Mines plans to carry out shallow drilling targeting the Southwest trending magnetic anomaly targeting the Jesse Iron Formation. Further to this Ark will undertake some infill sampling around anomalous

copper zones, detailed geophysical interpretation, and undertake a first-pass drilling program across the copper target.

(d) Mr Emery

A condition of the Acquisition is that Mr Emery is appointed a Director of Ark.

Mr Emery has been primarily involved in the mining sector for over a decade accumulating extensive experience and skill in locating, developing and monetising varied and diversified mining projects. He has successfully developed several green-field exploration projects into financially successful producing mines, including the Tablelands Iron project, at Mt Garnet.

Mr Emery has been appointed to numerous board positions over the years and is currently Chairman of Franklin Exchange Pty Ltd, a dynamic and growing commodity trading house operating across various global markets whilst assisting international companies develop new strategic partners for growth.

Mr Emery has not been a director of a public company in the last 3 years

(e) Listing Rule 5.23 statement

The information in this section is extracted from an announcement by the Company to ASX on [●] August 2021 (**Market Announcement**). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Market Announcement.

3.3 Consolidation

To comply with the Listing Rules, the Company proposes to undertake a share consolidation under which every 20 Shares currently on issue will be consolidated to 1 Share (**Consolidation**).

The Consolidation is conditional upon the Transaction completing.

Further details on the Consolidation are set out in section 5.

3.4 Public Offer and use of funds

The Transaction includes raising between \$4.5 and \$5 million through the issue of Shares at an issue price of \$0.20 per Share (**Public Offer**). The Public Offer will be offered under a prospectus the Company is proposing to lodge with ASIC prior to the Meeting, and will be lead managed by Sanlam Private Wealth. The lead manager will be paid a fee of 6% on amounts raised. Shareholder approval is also sought for the Directors to participate in the Public Offer.

The Company intends to use funds raised from the Public Offer over the first two years following completion of the Transaction and re-admission of the Company as follows:

Funds available

(\$'000)	Minimum Subscription		Maximum Subscription	
Pre-IPO loans	200		200	
Funds raised from the Public Offer	4,500		5,000	
Allocation of Funds				
Cost of the Transaction	450		450	
	Year 1	Year 2	Year 1	Year 2
Exploration at the Gunnawarra project: geophysics acquisition & interpretation, drilling & assays	350	550	400	600
Exploration at the Mount Jesse project: geophysics acquisition & interpretation, drilling & assays	325	475	350	525
Exploration at the Pluton project: geophysics acquisition & interpretation, drilling & assays	175	225	200	275
New project assessment/review	125	125	150	150
General administration costs	400	400	425	450
Surplus working capital	1,050	1,145		

This table is a statement of the proposed application of the funds raised as at the date of this Explanatory Statement. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions, and the Company reserves the right to vary the way funds are applied.

3.5 Repayment of debts through the issue of Shares

As set out in section 3.1, the Directors and others paid the Company's administrators approximately \$706,000 to effectuate the DOCA. The payments were made on the basis that the Directors would, as part of a transaction that would result in the Company's Shares been reinstated to trading, seek Shareholder approval to have the DOCA Contributions repaid through the issue by the Company of Shares at an issue price of \$0.10 per Share, with 2 attaching Options (\$0.20 expiring 2 years from issue) for every Share issued.

In addition:

- (a) the Directors also paid certain expenses incurred by the Company and under the DOCA totaling \$42,000 (**Reimbursements**); and

- (b) the Company has borrowed \$200,000 from investors, with funds raised to be used to pay for the costs of the Transaction (**Pre-RTO Loan**).

Details of the lenders and amounts borrowed is set out in section 7.1.

Shareholder approval is sought under Resolutions 9 to 15 to issue Shares at an issue price of \$0.10 per Shares and, in the case of the DOCA Contributions and Reimbursements and Pre-RTO Loans, and 2 attaching Options for every Share issued in satisfaction of the DOCA Contributions and Reimbursements.

Funds raised through exercising Options will be used for general working capital.

3.6 Pro-forma financial information

Set out in SCHEDULE 2 is the unaudited Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 30 June 2021. The pro-forma shows the likely effect of the Transaction on the Company's consolidated total assets and total equity interests, and has been prepared on the basis of the following assumptions:

- (a) A consolidation of capital by the Company on a ratio of 20 to 1.
- (b) The repayment of the following debts through the issue of Shares at an issue price of \$0.10 per Share:
 - (i) \$706,623 (being the DOCA Contributions) through the issue of 7,066,230 Shares;
 - (ii) \$42,000 (being the Reimbursements) through the issue of 420,000 Shares; and
 - (iii) \$200,000 (being the Pre-RTO Loans) through the issue of 2,000,000 Shares.

(Collectively, the **Debt Conversions**)

- (c) The issue of 22,500,000 and 25,000,000 Shares at an offer price of \$0.20 each to raise \$4.5 million and \$5 million before costs under the Public Offer.
- (d) Costs of the Public Offer are estimated to be \$450,000. Those costs which relate to the issuing of new Shares are to be offset against contributed equity while the remaining costs are expensed. Of the above costs of the Public Offer, \$270,000 and \$300,000 has been offset against contributed equity and the remaining \$180,000 and \$150,000 has been expensed through accumulated losses.
- (e) The Company issues 9,000,000 Shares as consideration for the Acquisition, with the purchase consideration being capitalized as exploration and evaluation expenditure.

The pro-forma statement of financial position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in SCHEDULE 2. The pro-forma financial

information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

The Company currently has no revenue or exploration expenditure. The Transaction will not generate any revenue, other than interest. Details of the proposed exploration expenditure on the Projects is set out in section 3.4.

3.7 Effect on the capital structure of the Company and dilution

The effect of the various issues on the capital structure of the Company is as follows (assuming no other Shares are issued):

	Minimum Subscription \$4.5m		Maximum Subscription \$5m	
Existing Shares on issue (post 20:1 Consolidation)	2,616,058	6.00%	2,616,058	5.67%
Acquisition (Resolution 2)	9,000,000	20.64%	9,000,000	19.52%
Public Offer (Resolution 5)	22,500,000	51.60%	25,000,000	54.23%
Repayment of DOCA Contributions (Resolutions 9 to 11)	7,066,230	16.21%	7,066,230	15.33%
Repayment of DOCA Reimbursements (Resolutions 12 to 14)	420,000	0.96%	420,000	0.91%
Pre-RTO Loans (Resolution 15)	2,000,000	4.59%	2,000,000	4.34%
Total Shares post IPO	43,102,288	100.00%	45,602,288	100.00%
Market capitalisation (at \$0.20)	\$8,720,458		\$9,220,458	
Options (\$0.20 expiring 2 years from issue)	14,972,460		14,972,460	

The Company has not issued any securities in the preceding 6 months and does not intend to issue any securities prior to completion of the Transaction and re-admission.

No person will acquire voting power of 20% or more as a result of the Transaction. The Company will not allocate Shares under the Public Offer in a manner inconsistent with section 606 of the Corporations Act.

3.8 Risk factors

Shareholders should be aware that if the Acquisition is approved and Completion occurs, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from MIJ Holdings, parties contracted or associated with MIJ Holdings and the Acquisition Agreement and other agreements. A summary of the risk is set out in SCHEDULE 3.

3.9 Advantages of the Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) the Acquisition represents an attractive investment opportunity for the Company to change its business focus to iron ore, copper and nickel assets;
- (b) the Acquisition Agreement requires the Company to raise at least \$4,500,000, which will provide the Company with significant funds for further exploration of MIJ Holdings' projects in North Queensland;
- (c) the potential increase in market capitalisation of the Company following Completion and the associated Public Offer may lead to access to improved equity capital market opportunities and increased liquidity which are not currently present;
- (d) the appointment of Mr Emery as a director will provide the Company with extensive experience and a proven track record in minerals exploration and resource development in iron ore, copper and gold;
- (e) the consideration for the Acquisition consists solely of 9,000,000 Shares, thereby conserving the Company's cash reserves and minimising dilution of existing Shareholders to 5.76% of the Company's issued share capital following the Acquisition (with an issue price of \$0.20 per Share under the Public Offer to raise at most \$5 million); and
- (f) the consideration Shares will be subject to ASX imposed escrow.

3.10 Disadvantages of the Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) the Company will be changing the nature of its activities to exploration and development of iron ore, copper and nickel assets, which may not be consistent with the objectives of all Shareholders;

- (b) the Acquisition will result in the Public Offer and the issue of the Acquisition Shares, both of which will have a dilutionary effect on the current holdings of Shareholders;
- (c) there are additional risk factors associated with the change of nature and scale of the Company's activities. Some of the key risks are summarised in SCHEDULE 3; and
- (d) in connection with the Acquisition, the Company is required to engage a number of advisors, lawyers and experts to facilitate and report on the Acquisition, which represents sunk, but necessary costs to the Company. Many of these costs have been incurred.

3.11 Intentions if the Acquisition is not approved

If the conditions to the Transaction are not satisfied or waived, including if any one of the Resolutions is not passed, the Acquisition will not proceed, and the Company will likely be delisted from ASX for being a long term suspended Company.

3.12 Conditionality of Resolutions

All Resolutions, other than 6 to 8 are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Resolutions (other than Resolutions 6 to 8) is not approved at the Meeting, none of them will take effect and the Transactions and other matters contemplated by the Resolutions will not be completed.

3.13 Timetable

The indicative timetable for the Acquisition, Public Offer and reinstatement of the Company's Shares to trading on ASX is as follows:

Dispatch Notice of Meeting	25 August 2021
Shareholder Meeting to approve Acquisition & Capital Raising	24 September 2021
Prospectus lodged with ASIC and Public Offer opens	Prior to 25 September 2021
Prospectus Offer closes Consolidation effected Completion of Acquisition of MIJ Holdings Issue of Shares under the Acquisition, Public Offer and Debt Conversions	October 2021

Expected date of reinstatement to trading (subject to Company re-complying with Chapters 1 & 2 of the Listing Rules)	November 2021
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The above timetable is indicative only and may change, subject to the Corporations Act and Listing Rules.

3.14 Regulatory requirements

Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable, and in any event before making the change, and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting, with the notice including the relevant voting exclusion statement; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the Official List.

Given the Company currently has no activities, the Acquisition is a significant change in the nature and scale of the Company's activities; as such, the Company is required to obtain Shareholder approval under Listing Rule 11.1.2 and to re-comply with Chapters 1 and 2 of the Listing Rules.

Accordingly, the Company is seeking Shareholder approval pursuant to Resolution 1 for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

The Company's Shares were suspended from official quotation on 25 September 2019. If the Resolutions are approved at the Meeting, the Company will, assuming the other conditions to Transaction are satisfied, proceed with the Transaction, although its Securities will remain suspended from quotation until the Company has acquired MIJ Holdings pursuant to the Acquisition Agreement and re-complied with Chapters 1 and 2 of the ASX Listing Rules.

If any Resolution is not approved at the Meeting, the Transaction will not proceed and it is likely that the Company will be delisted from ASX for being a long term suspended company.

Listing Rule 7.1 and 10.11

Broadly speaking and subject to a number of exceptions:

- (a) Listing Rule 7.1 limits the number of equity securities a company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid up ordinary securities it had on issue at the start of that period.

- (b) Listing Rule 10.11 prohibits the issue of securities to related parties and certain others (including holders of more than 30% of an entity's issued securities, holders of more than 10% who have a right to appoint a director to the entity's board, and where the relationship between the person being issued securities and the entity is such that, in ASX's opinion, the issue should be approved by security holders), and their associates, by a listed entity without prior security holder approval.

The outcomes in the event the Resolutions are passed or not passed are set out below.

Securities issues and agreements that are approved by Shareholders under Listing Rules 7.1 and 10.11 are not included in calculating an entity's 15% capacity under Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes a company's directors. Financial benefit is defined broadly and includes the issue of securities. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

An exception to the requirement for shareholder approval is where the benefit is given on terms that:

- (a) would be reasonable in the circumstances if the company and related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

3.15 Directors' recommendation and voting intention

All of the Directors are of the opinion that the Transaction is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Directors' recommendations are based on the reasons outlined in section 3.9.

Each of the Directors intends, where entitled, to vote all of their Shares in favour of each Resolution.

4 RESOLUTIONS 1 TO 3 - ACQUISITION OF MIJ HOLDINGS

4.1 Introduction

As outlined in section 3.1, the Company has entered into the Acquisition Agreement to acquire all of the issued share capital in MIJ Holdings Pty Limited (**MIJ Holdings**). A summary of the terms and conditions of the Acquisition Agreement is set out in section 4.2 and a detailed description of MIJ Holdings and its business is outlined in sections 3.2 and 4.

Completion of the Acquisition Agreement is subject to, among other things, Shareholder approval.

Summary of Listing Rule 11.1.2 and 7.1 is set out in section 3.14.

Resolution 1 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company as a result of the Acquisition. If Resolution 1 is passed the Acquisition and hence Transaction can proceed. If Resolution 1 is not passed the Company cannot complete the Acquisition. The consequences of this are set out in section 3.11.

Resolution 2 seeks Shareholder approval for the issue of the Acquisition Shares for the purpose of ASX Listing Rule 7.1. If Resolution 2 is passed, the issue can proceed, and the Company will satisfy its obligation under the Acquisition Agreement to issue the Acquisition Shares to Bmax. If Resolution 2 is not passed, the issue cannot proceed and the Company cannot complete the Transaction.

Resolutions 1 to 3 are subject to the passing of all other Resolutions.

4.2 Material terms of the Acquisition

The material terms of the agreement between Ark and Bmax (**Acquisition Agreement**) are as follows:

- (a) Ark will purchase all of the issued shares of MIJ Holdings for 9,000,000 Shares.
- (b) Completion is conditional upon the following:
 - (i) Mutual due diligence.
 - (ii) Ark Shareholders approving the acquisition.
 - (iii) The projects being held by MIJ Holdings.
 - (iv) Confirmation that ASX will, following the Acquisition, reinstate Ark's Shares to trading on ASX.
 - (v) Ark remaining admitted to the Official List of ASX.
 - (vi) Ark raising a minimum of \$4.5 million.
- (c) At completion MIJ Holdings will have no debts or employees.
- (d) The parties may as part of due diligence agree warranties.

The Company has not agreed to pay any fees to any person for finding, arranging or facilitating the Acquisition.

4.3 Financial information on MIJ Holdings

MIJ Holdings was incorporated on 2 July 2021 by Bmax. Other than acquiring 3 exploration permits from entities controlled by Bmax, MIJ Holdings has not undertaken any activities.

Under the terms of the Acquisition, MIJ Holdings will be acquired debt free.

See section 3.6 for pro-forma financial information on the Company following the Acquisition.

The Company confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of MIJ Holdings for the Board to be satisfied that The transaction is in the interests of the Company and its Shareholders.

4.4 Appointment of Mr Emery as a Director

In accordance with the Acquisition Agreement, the Company has agreed to appoint Mr Emery as a Director of the Company. Subject to Shareholder approval and completion of the Transaction, the appointment will take effect from Completion.

Clause 37.3(b) of the Constitution allows the Company to appoint at any time a person as a Director by resolution passed at a General Meeting. Resolution 3 effects Mr Emery's appointment.

Details of Mr Emery are set out in section 3.2(d).

4.5 Resolution 2 - Information required by Listing Rule 7.3 for Resolution 2

For the purposes of Listing Rule 7.3, the following information is provided about the proposed issue of Shares under the Acquisition:

- (a) The securities will be issued to Bmax Holdings Pty Ltd or its nominee, who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The total maximum number of securities that may be issued will be 9,000,000 Shares.
- (c) The securities issued will be fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue.
- (d) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (e) The securities will be issued for nil cash consideration but as consideration for the acquisition of all of the issued share capital of MIJ Holdings.

- (f) No funds will be raised from the issue as the issue will be in consideration for the Acquisition.
- (g) Other than those set out in section 3 and 4, there are no other material terms in relation to the proposed issue.
- (h) A voting exclusion statement is included in the Notice.

4.6 Directors' recommendation

The Directors unanimously recommends that Shareholders vote in favour of Resolutions 1 to 3, as it will allow the Company to proceed with the Acquisition and, assuming the other conditions to re-quotation are satisfied, have its Shares reinstated to trading on ASX.

5 RESOLUTION 4 - CONSOLIDATION OF CAPITAL

5.1 General

Resolution 4 seeks Shareholder approval to consolidate the number of Shares on issue on a 20 to 1 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and to seek to comply with relevant ASX Listing Rules as part of Transaction when the Company seeks to obtain re-quotation of its Shares on ASX, should Shareholder approval be obtained for all Resolutions and the conditions to re-quotation are satisfied.

The Consolidation will only occur if Shareholders approve all Resolutions. The Directors intend to implement the Consolidation immediately prior to completion of the Acquisition and issue of securities under the Transaction, and unless otherwise stated all references to the Company's capital structure in this notice of meeting are on a post-Consolidation basis.

Resolution 4 is subject to and conditional upon the passing of all other Resolutions.

5.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed at a general meeting, convert all or any of its shares into a larger or smaller number.

The Company does not have any Options on issue as at the date of this Notice.

5.3 Effect on the capital structure

If Resolution 4 is approved, every 20 Shares on issue will be consolidated into 1 Share (subject to rounding). Overall, this will result in the number of Shares currently on issue reducing from 52,321,160 to approximately 2,616,058 (subject to rounding and not including those securities to be issued under the other Resolutions in this Notice of Meeting).

	Shares	Options
Pre-consolidation securities	52,321,160	Nil
Post-consolidation securities	2,616,058	Nil

As the Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding).

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

The Company does not have any convertible securities on issue, so no consolidation of convertible securities will apply.

The Company does not have any unpaid securities on issue.

5.4 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Share.

5.5 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors, the proposed directors and their advisors do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other Resolutions.

5.6 Holding statements

From the date of the Consolidation, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities proposed to be quoted to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Shares held before and after the Consolidation.

5.7 Indicative timetable

If Resolution 4 and all other Resolutions are passed, the Consolidation will take effect in accordance with the timetable as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules. The Company will announce a timetable for the Consolidation upon confirmation from ASX that the conditions to re-admission have been satisfied.

5.8 Directors' recommendation and voting intention

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. The Directors' recommendations are based on the reasons outlined in section 3.9.

Each of the Directors intends to vote all of their Shares in favour of Resolution 4.

6 RESOLUTIONS 5 TO 8 - PUBLIC OFFER

6.1 General

Resolution 5 seeks Shareholder approval for the issue of new Shares to raise between \$4.5 and \$5 million under the Public Offer. Resolutions 6 to 8 seek Shareholder approval for the Directors to participate in the Public Offer.

The Public Offer will be undertaken under a Prospectus. The Directors' participation will, in the event the Public Offer is over-subscribed, be on no more than a pro-rata basis to others participating under the Public Offer.

The Company may engage brokers to manage the Public Offer. If this occurs, the Company may pay brokers a fee based on the amount raised under the Public Offer, although no appointments have been made and no fees have been agreed. The Company has estimated paying brokers a fee of 6% of the amount raised for the purposes of determining the use of funds in section 3.4.

None of the subscribers for the Shares to be issued under the Public Offer will be related parties of the Company, other than the Directors (or their nominees) who may participate in the Public Offer pursuant to Resolutions 6 to 8.

Shares will only issued under the Public Offer if:

- (a) Shareholders pass all Resolutions;
- (b) applications are received for a total of between \$4,500,000 and \$5,000,000;
- (c) all required third party approvals are obtained; and
- (d) the Company has received conditional approval from ASX for re-quotation of the Company's securities on the Official List on terms acceptable to the Company.

The issue will occur contemporaneously with completion of the Acquisition and the Debt Conversions.

Refer to section 3.14 for a summary of Listing Rules 7.1 and 10.11.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Public Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1. If Resolution 5 is passed, the issue under the Public Offer can proceed. If Resolution 5 is not passed, the issue under the Public Offer cannot proceed and the Company cannot complete the Transaction.

The effect of Resolutions 6 to 8 is to allow the Directors to participate in the Public Offer. If Shareholder approval is obtained under Listing Rule 10.11 Directors can participate in the Public Offer for collectively up to 1,500,000 Shares and the issue will not be included in the Company's 15% annual limit permitted by Listing Rule 7.1. If Shareholder approval is not obtained under Listing Rule 10.11, the Public Offer can still proceed (assuming Resolution 5 is passed), however Directors will not be able to participate in the Public Offer. This may, depending upon demand under the Offer, affect the success of the Public Offer. The Transaction is not conditional upon Shareholders approving Resolutions 6 to 8, and assuming all Resolutions other than 6 to 8 are approved and the other conditions to the Transaction satisfied, then it will proceed.

The Company will seek a waiver from Listing Rule 10.13.3 by ASX so that any Shares issued to related parties under Resolutions 6 to 8 can be issued not later than 3 months after the date of the Meeting, on condition that they are issued on the same terms and conditions as approved by Shareholders. If a waiver is not granted then the Directors can only participate in the Public Offer if Shares are issued under the Public Offer within 1 month of the Meeting.

6.2 Chapter 2E of the Corporations Act

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of their participation in the Public Offer because any Shares issued to them will be on the same terms as the Shares to be issued to non-related party participants in the Public Offer and the Directors will not receive any priority under the Public Offer. As such the Company and its Directors are dealing on arm's length terms.

6.3 Technical information required by ASX Listing Rule 7.3 for Resolution 5

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Public Offer:

- (a) the maximum number of Shares to be issued is 25,000,000 (including the Director participations, if any;
- (b) the Shares will be issued no later than 3 months 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) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price is \$0.20 per Share (on a post-Consolidation basis);
- (d) the Shares will be offered at the Board's discretion under a prospectus; none of the subscribers for the Public Offer will be related parties of the Company, other than the Directors (or their nominees) who may participate in the Public Offer pursuant to Resolutions 6 to 8;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Shares issued under the Public Offer in accordance with the table set out in section 3.4 above; and
- (g) A voting exclusion statement is included in the Notice.

6.4 Information required by ASX Listing Rule 10.13 for Resolutions 6 to 8

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 8:

- (a) the Shares will be issued to:
 - (i) Resolution 6 – Roger Jackson, who is a Director and therefore a person that falls within Listing Rule 10.11.1;
 - (ii) Resolution 7 – Antony Corel, who is a Director and therefore a person that falls within Listing Rule 10.11.1;
 - (iii) Resolution 8 – Ian Mitchell, who is a Director and therefore a person that falls within Listing Rule 10.11.1,
 or their nominees;
- (b) the maximum number of Shares to be issued is:
 - (i) Resolution 6 – 500,000 Shares;
 - (ii) Resolution 7 – 500,000 Shares
 - (iii) Resolution 8 – 500,000 Shares;
- (c) the Shares 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 Listing Rules). It is intended that the Shares will be issued promptly following close of the Public Offer, at the same time as all other Shares issued under the Public Offer;
- (d) the issue price is \$0.20 per Share (on a post-Consolidation basis), being the same issue price as all other Shares to be issued under the Public Offer;
- (e) the Shares issued will be fully paid ordinary shares; and
- (f) the funds raised will be used for the same purposes as the funds raised under the Public Offer as set out in section 3.4 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Related Party Participation if approval is obtained under ASX Listing Rule 10.11. Accordingly, upon approval under ASX Listing Rule 10.11, the issue of Shares to the Directors (or their nominees) under the Public Offer will not be included in the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6.5 Directors' recommendation and voting intention

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5, for the reasons set out in section 3.15. Given their interest, the Directors do not give any recommendation on Resolutions 6 to 8.

Each of the Directors intends to vote all of their Shares in favour of Resolutions 5 to 8 where they are entitled to vote.

7 RESOLUTIONS 9 TO 15 - ISSUE OF SHARES UNDER THE DEBT CONVERSIONS

7.1 General

In addition to trade creditors (primarily to service providers for professional services provided in the ordinary course of business), the Company owes the following creditors:

(\$)	DOCA Contribution	Reimbursements	Pre-RTO Loan
Roger Jackson	80,000	15,200	
Antony Corel	79,123	12,000	
Ian Mitchell		14,802	
Unrelated third parties	547,500		200,000
Total	706,623	42,002	200,000

The background to, and material terms of, the DOCA Contributions are as follows:

- (a) Directors Messrs Jackson and Corel and unrelated third parties (together the **DOCA Contributors**) paid \$706,623 to Ark's then administrators to fulfil obligations under the DOCA and allow control of Ark to return to its Directors. The payments were on the basis that the Directors would seek Shareholder approval for the payments to be repaid in full through the issue of Shares at an issue price of \$0.10 per Share, together with 2 Options for every Share issued. The issue is subject to Ark having its Shares reinstated to trading on ASX.
- (b) The payments are not secured and do not attract interest.
- (c) Ark has acknowledged that it is indebted to the DOCA Contributors for collectively \$706,623.

Seeking Shareholder approval under Resolutions 9 and 10 satisfies the Directors' agreement under the DOCA Contributions to seek Shareholder approval to repay the DOCA Contributions through the issue of securities.

The background to, and material terms of, the Reimbursements are as follows:

- (a) The Directors paid certain expenses incurred by, or on behalf of, the Company and which together total \$42,002. These expenses include expenses relating to the DOCA and Ark's incorporation (such as ASIC and ASX fees). The payments were on the same basis as the DOCA Contribution; namely that the Directors would seek Shareholder approval for the payments to be repaid in full through the issue of Shares at an issue price of \$0.10 together with 2 Options for every Share issued. The issue is subject to Ark having its Shares reinstated to trading on ASX.
- (b) The payments are not secured and do not attract interest.
- (c) Ark has acknowledged that it is indebted to the Directors for the Reimbursements for collectively \$42,002.

The background to, and material terms of, the Pre-RTO Loans are as follows:

- (d) Unrelated third parties have lent \$200,000 to the Company, with the funds to be used to pay the costs incurred by the Company in undertaking the Transaction.
- (e) Subject to Shareholder approval, the Pre-RTO Loans are to be repaid through the issue of Shares at an issue price of \$0.10 per Share.
- (f) The Pre-RTO Loans are unsecured and do not attract interest.

As a condition to the Completion, the Company will satisfy the DOCA Contributions, Reimbursements and Pre-RTO Loans through the issue of Shares on the above terms (collectively the **Debt Conversions**).

Resolutions 9 to 15 seek Shareholder approval for the Debt Conversions.

If Shareholder approval is obtained under Resolutions 9 to 15, the Debt Conversion can proceed and the Company issue Shares in satisfaction of the Listing Rules 7.1 and 10.11 and the issues will not be included in the Company's 15% annual limit permitted by Listing Rule 7.1. If Shareholder approval is not obtained under Listing Rules 7.1 or 10.11 (as the case may be), the Debt Conversions will not occur and the Transaction will not proceed. Furthermore, the Company will retain indebted to the DOCA Contributors, Directors and investors lending funds under the Pre-RTO Loans. Those creditors may take steps to recover their debts, including by seeking to have the Company wound up.

7.2 Escrow

The Company will seek a waiver from ASX of Listing Rule 9.1.3 ("look through relief") so that the following Shares issued under the Debt Conversions will for the purposes of escrow be treated as follows:

Lender	Debts	Securities to be issued	Escrow

Unrelated DOCA Lenders	547,500	5,465,000 Shares 10,930,000 Options	12 months from investment
Pre-RTO Lenders	200,000	2,000,000	12 months from investment

The effect of look-through relief (if granted) is, for the purposes of determining the length of the escrow period for Shares issued to unrelated seed investors, the 12 month escrow period (if any) will be deemed to begin on the date on which funds were originally paid by the lenders. Unrelated DOCA Lenders paid their contributions between 29 January 2020 and 28 July 2021, with a total of \$50,000 paid in 2020.

The position of escrow is unknown until ASX considers the waiver.

7.3 Requirement for Shareholder approval

The Directors do not believe that Shareholder approval is required under Chapter 2E of the Corporations Act as the Directors have formed the view that the issue of 2,011,250 Shares to Directors under Resolutions 10 to 14 at an issue price of \$0.10 per Share in satisfaction of the DOCA Contributions and Reimbursements is reasonable in the circumstances as the Company and the related party were dealing at arm's length terms since the securities are issued to related parties in satisfaction of debts on the same terms as the securities to be issued to Unrelated DOCA Lenders in satisfaction of the debts owing by the Company to such unrelated parties (approval of which is sought under Resolution 9).

Refer to section 3.14 for a summary of Listing Rule 10.11.

The effects of Resolutions 9 to 15 will be to allow the Company to issue the Shares under the Debt Conversion without using the Company's 15% annual placement capacity under Listing Rule 7.1.

The Company will seek a waiver from ASX of Listing Rule 10.13.3 to permit Shares being issued to related parties under the Debt Conversions not later than 3 months after the date of the Meeting, on condition that they are issued on the same terms and conditions as Unrelated DOCA Lenders.

Shares issued to related parties under the Debt Conversions will, in the event no waiver is granted, be required to be issued within 1 month of the Meeting; failing which Shareholder approval will need to be re-sought.

Resolutions 9 to 15 are subject to the passing of all other Resolutions.

7.4 Information required by Listing Rule 7.3 for Resolution 9

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of securities to be issued is 5,475,000 Shares and 10,950,000 Options;
- (b) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) The securities are issued in satisfaction of amounts owing by the Company, the full details of which are set out in section 7.1, at a deemed issue price of \$0.10 per Share, with 2 attaching Options for every Share issued;
- (d) The securities will be issued to seed investors, or their nominees, none of whom are related parties to the Company, a member of the Company's key management personnel, a substantial holder in the Company or an advisor to the Company, or their associates;
- (e) The Shares issued are fully paid ordinary shares of the Company. The terms of the Options are set out in SCHEDULE 4;
- (f) No funds will be raised through the issue of the securities as they are issued in satisfaction of the debts of the Company; and
- (g) A voting exclusion statement is included in the Notice.

7.5 Information required by Listing Rule 10.13 for Resolutions 10 to 14

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to:
 - (i) Resolution 10 – Roger Jackson, who is a Director and therefore a person that falls within Listing Rule 10.11.1;
 - (ii) Resolution 11 – Antony Corel, who is a Director and therefore a person that falls within Listing Rule 10.11.1;
 - (iii) Resolution 12 – Roger Jackson, who is a Director and therefore a person that falls within Listing Rule 10.11.1
 - (iv) Resolution 13 – Antony Corel, who is a Director and therefore a person that falls within Listing Rule 10.11.1
 - (v) Resolution 14 – Ian Mitchell, who is a Director and therefore a person that falls within Listing Rule 10.11.1,
 or their nominees;
- (b) The maximum number of Shares to be issued is:
 - (i) Resolution 10 – 800,000 Shares and 1,600,000 Options
 - (ii) Resolution 11 – 791,230 Shares and 1,582,460 Options;
 - (iii) Resolution 12 – 152,000 Shares and 304,000 Options;

- (iv) Resolution 13 – 148,020 Shares and 296,000 Options
- (v) Resolution 14 – 120,000 Shares and 240,000 Options;
- (c) The 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 Listing Rules) and it is intended that issue will occur on the same date;
- (d) The securities will be issued in satisfaction of amounts owing by the Company, the full details of which are set out in section 7.1, at a deemed issue price of \$0.10 per Share with 2 attaching Options for every Share issued;
- (e) The securities will be issued in satisfaction of amounts owing by the Company and no funds will be raised;
- (f) The securities to be issued are fully paid ordinary shares and attaching Options, the terms of which are set out in SCHEDULE 4; and
- (g) A voting exclusion statement is included in the Notice.

7.6 Information required by Listing Rule 7.3 for Resolution 15

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The maximum number of Shares to be issued is a total of 2,000,000 Shares;
- (b) The Shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) The Shares are issued in satisfaction of amounts owing by the Company at a deemed issue price of \$0.10 per Share;
- (d) The Shares will be issued to unrelated seed investors, or their nominees, who are unrelated parties;
- (e) The Shares issued are fully paid ordinary shares of the Company;
- (f) No funds will be raised through the issue of the Shares as they are issued in satisfaction of the debts owed by the Company; and
- (g) A voting exclusion statement is included in the Notice.

7.7 Directors' recommendation and voting intention

The Directors refrain from making recommendations to Resolutions 10 to 14 as they have a personal interest in those Resolutions. The Directors unanimously recommend that Shareholders vote in favour of Resolutions 9 and 15, for the reasons set out in section 3.15

Each of the Directors intends to vote all of their Shares in favour of Resolutions 9 and 15 where they are entitled to vote.

SCHEDULE 1 GLOSSARY

\$ or A\$ means Australian dollars.

Acquisition means the acquisition of MIJ Holdings under the Acquisition Agreement.

Acquisition Agreement means the agreement under which Ark will acquire MIJ Holdings, the material terms of which are summarised in section 4.2.

Acquisition Shares has the meaning given in section 3.2.

ASX Listing Rules means the Listing Rules of ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Bmax means Bmax Holdings Pty Limited.

Board means the current board of directors of the Company.

Business Day means has the meaning given in the Listing Rules.

Chair means the chair of the Meeting.

Company means Ark Mines Limited (ACN 123 668 717).

Consolidation has the meaning given in section 3.3.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Conversions has the meaning given in section 7.1.

Directors means the current directors of the Company.

DOCA means the deed of company arrangement entered into by the Company on [●].

DOCA Contributions has the meaning given in section 7.1.

DOCA Contributors has the meaning given in section 7.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

MIJ Holding means MIJ Holding Pty Limited.

Meeting or **Extraordinary General Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to be issued a Share on the terms in SCHEDULE 4.

Pre-RTO Loan has the meaning given in section 3.5.

Public Offer has the meaning given in section 4.1.

Proxy Form means the proxy form accompanying the Notice.

Reimbursements has the meaning given in section 3.5.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Transaction has the meaning given in section 3.1.

Sydney time means the time in Sydney.

ARK MINES LTD

ACN 123 668 717

PROXY FORM

The Company Secretary

Ark Mines Ltd

By delivery:

C/- Ian B. Mitchell & Associates,
Suite 9.04A, Level 9, MLC Centre
19-29 Martin Place, Sydney NSW 2000

By facsimile:

(+61) 2 9232 6826

By email:

ian@mitchellandsmith.com.au

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____
of _____
being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

**The Chairman of the
Meeting (mark box)**

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting to be held at Sanlam Private Wealth, Level 2, 33 York Street, Sydney NSW 2000 on Friday, 24 September 2021 at 10.00am (EST) and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, except for as set out below).

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on the Resolution

INSTRUCTIONS AS TO VOTING ON THE RESOLUTION

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Acquisition of MIJ Holdings Pty Limited	☐	☐	☐
Resolution 2	Approval To Issue Acquisition Shares	☐	☐	☐
Resolution 3	Appointment of Benjamin Emery As Director	☐	☐	☐
Resolution 4	Consolidation	☐	☐	☐
Resolution 5	Approval of Public Offer	☐	☐	☐
Resolution 6	Approval of Director Participation In Public Offer – Roger Jackson	☐	☐	☐
Resolution 7	Approval of Director Participation In Public Offer –Antony Corel	☐	☐	☐
Resolution 8	Approval of Director Participation In Public Offer – Ian Mitchell	☐	☐	☐
Resolution 9	Approval of Loan Placement To Unrelated DOCA Lenders	☐	☐	☐
Resolution 10	Approval of Loan Placement To Roger Jackson	☐	☐	☐
Resolution 11	Approval of Loan Placement To Antony Corel	☐	☐	☐
Resolution 12	Approval of Reimbursement Placement To Roger Jackson	☐	☐	☐
Resolution 13	Approval of Reimbursement Placement To Antony Corel	☐	☐	☐
Resolution 14	Approval of Reimbursement Placement To Ian Mitchell	☐	☐	☐
Resolution 15	Approval of Pre-RTO Placement	☐	☐	☐

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

Hand deliveries: C/- Ian B. Mitchell & Associates, Suite 9.04A, Level 9, MLC Centre, 19-29 Martin Place, Sydney NSW 2000

Facsimile: (+61) 2 9232 6826.

Email: ian@mitchellandsmith.com.au

SCHEDULE 2 PRO FORMA STATEMENT OF FINANCIAL POSITION

Statement of Financial Position

	June 30 2021 (unaudited)	Pre-RTO Raising	MU Acquisition	Minimum Raising	Maximum Raising	Proforma (MIN)	Proforma (MAX)
	\$						
Current assets							
Cash and cash equivalents	1,208	188,000		4,050,000	4,520,000	4,239,208	4,709,208
Trade and other receivables	3,083					3,083	3,083
Capitalised exploration and evaluation expenditure	-		1,800,000			1,800,000	1,800,000
Environmental bonds	-					-	-
Plant and equipment	-					-	-
Total current assets	4,291	188,000	1,800,000	4,050,000	4,520,000	6,042,291	6,512,291
Total assets	4,291	188,000	1,800,000	4,050,000	4,520,000	6,042,291	6,512,291
Current liabilities							
DOCA contribution	688,000			-	688,000	-	688,000
Trade and other payables	101,907			-	101,907	-	101,907
Total current liabilities	789,907	-		(789,907)	(789,907)	-	-
Total liabilities	789,907	-		(789,907)	(789,907)	-	-
Net assets	(785,616)	188,000	1,800,000	4,839,907	5,309,907	6,042,291	6,512,291
Equity							
Contributed equity	9,976,683	200,000	1,800,000	5,289,907	5,789,907	17,266,590	17,766,590
Share Issue Costs	-	12,000		-	450,000	-	492,000
Accumulated losses	(10,762,299)			-		-10,762,299	-10,762,299
Total equity	(785,616)	188,000	1,800,000	4,839,907	5,309,907	6,042,291	6,512,291

SCHEDULE 3 RISKS

The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers immaterial, which may affect the Company and MIJ Holdings. Based on the information available, a non-exhaustive list of risk factors for the Company, associated with the Company's proposal to acquire all of the shares in MIJ Holdings is set out below.

(a) Infectious diseases

The outbreak of coronavirus disease (COV ID-19) is having a tangible effect on the world economy. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share price. Covid State lockouts and restriction of movement could interrupt the Company carrying out its exploration in North Queensland, cause disruptions to supply or interrupt the Company's ability to access capital.

(b) Exploration and development risks

It must be noted that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration and development activities of the Company may be affected by a range of factors, including geological makeup, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Further to the above, the future development of mining operations at the Mt Jesse and/or the Gunnawarra Project (or any future projects that the Company may acquire an interest in) is dependent on a number of factors including business operational risk and infrastructure..

(c) Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, wet season rain events, operational and technical difficulties encountered in exploration and mining, metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenement interests.

(d) Metallurgy

Whilst the companies project looked to have straight forward metallurgy until detailed test work is undertaken the iron, copper and nickel and nickel extraction will present as a risk.

(e) Environmental risks

The operations and proposed activities of the Company are subject to Queensland and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production.

(f) Grant, tenure and forfeiture of licences

The Company's Tenements are subject to the applicable mining acts and regulations in Queensland Australia, pursuant to which mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(g) Third party tenure risks

Under Queensland and Australian and Commonwealth legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third- party interests which overlay areas within the Tenements, including other mining tenure, pastoral holdings or petroleum tenure.

(h) Third party contractor risks

There is a risk that the Exploration service providers are in high demand and there may be potential for significant delays in sourcing equipment. For example, drilling rigs.

The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(i) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company

(j) Staffing

It may be difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(k) Occupational health and safety

The Company and the Directors have a robust commitment to safety there is always an inherent risk of injury in the exploration and mining industry. Safety incidents can impact the reputation and potentially financial standing of a Company. Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

(l) Insurance

The Company intends to insure its operations in accordance with industry practice.

(m) New projects and potential acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. There is a risk the company may purchase a project that does not perform or add shareholder value.

(n) Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, MIJ Holdings or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and MIJ Holdings and the value of the Company's securities. Therefore, the Shares to be issued by the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative.

SCHEDULE 4 RIGHTS ATTACHING TO OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.20 per Option (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (EST) on or before the date that is two years from issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date or such other period as allowed by the Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.