ASX ANNOUNCEMENT

29 October 2025

ARK MINES LTD.

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 September 2025

"The September quarter was a transformational period for Ark Mines, marked by the $4.5 million investment by the QIC Critical Minerals and Battery Technology Fund — a significant endorsement of both the Sandy Mitchell Rare Earth Project and Ark's broader development strategy. As well as providing Ark with non-dilutive funding to accelerate project development, the QIC investment underlined Queensland's growing status as a mining jurisdiction, with funding initiatives for applicable projects and consensus among policymakers to strengthen Australia's rare earth and critical mineral supply chains.

Operationally, the quarter saw the successful completion of the 219-hole, 2,324m resource expansion drill program at Sandy Mitchell and receipt of Environmental Authorisation approval — two major milestones that advance the Project toward mining licence approval. With assays now collected for analysis and our Pre-Feasibility Study on track for early 2026, Ark is ideally positioned as one of Australia's emerging rare earth developers amid a strong global policy focus on securing critical mineral supply chains."

Roger Jackson, Executive Chairman

HIGHLIGHTS FOR THE QUARTER

- $4.5 million investment from the QIC Critical Minerals and Battery Technology Fund — comprising $4.0m royalty funding and a $0.5m equity placement — to accelerate development of the Sandy Mitchell Rare Earth Project.
- Completion of 219-hole, 2,324m resource expansion drill program at Sandy Mitchell, designed to deliver a significant increase to the Measured Resource of Monazite Equivalent (MzEq).
- Metallurgical improvement works advancing with IHC Mining, focused on optimising beneficiation and mineral separation processes for incorporation into the forthcoming Pre-Feasibility Study (PFS).
- Ark continues to engage closely with the Queensland Government and project partners to fast-track the Sandy Mitchell development schedule, targeting first production in late 2027.

Activities post quarter-end

- Environmental Authorisation (EA) granted by the Queensland Department of Environment, Tourism, Science and Innovation for Mining Lease ML100409 — a key regulatory milestone that clears the pathway toward mining licence approval.

QIC Investment – Strategic Funding Partnership

In August, Ark Mines announced a $4.5 million investment from the QIC Critical Minerals and Battery Technology Fund (QCMBTF), managed by the Queensland Investment Corporation (QIC) — a government-owned institutional investment manager with more than A$130 billion in funds under management.

The funding comprised:

- $4.0 million in upfront royalty-based project funding linked to future product sales from Sandy Mitchell; and
- $500,000 equity investment via the issue of 2,994,012 shares at $0.167 per share, subject to shareholder approval (subsequently granted).

The investment followed a comprehensive due diligence process and demonstrates strong confidence in the quality, scale, and strategic importance of Sandy Mitchell within Queensland's critical minerals supply chain.

This partnership also aligns Ark Mines with the Queensland Government's Critical Minerals Strategy, which seeks to establish North Queensland as a key global supplier of the rare earths and heavy minerals essential to clean energy technologies.

Funding proceeds will accelerate Ark's near-term development works, including assay processing, metallurgical analysis, and completion of the PFS, with first production targeted for late 2027 and the creation of approximately 80 regional jobs.

Project Development – Sandy Mitchell

Resource Expansion Drilling

The September quarter saw the completion of the 2,324m, 219-hole resource expansion drill program at Sandy Mitchell. The program, executed by Australian Exploration Drilling, was designed to significantly expand the existing Measured Resource of 71.8 Mt @ 1,732.7 ppm Monazite Equivalent (MzEq) and further define mineralisation across an area of approximately 15.7 km^2.

All samples have been collected and dispatched for assay, with results to be incorporated into an updated resource model forming the foundation of the Pre-Feasibility Study (PFS), scheduled for early CY2026..

Metallurgical Improvement Program

Complementing the resource expansion program, Ark has continued to advance a detailed metallurgical improvement program with IHC Mining. The work aims to optimise beneficiation and mineral separation processes for both rare earths and heavy minerals, enhancing project recoveries and economic outcomes for inclusion in the forthcoming PFS.

Environmental Authorisation

Post quarter-end, a key regulatory milestone was achieved with the granting of the Environmental Authority (EA) under the Environmental Protection Act 1994, covering Mining Lease ML100409 at Sandy Mitchell. This approval marks a key step toward the full mining licence, with only the security self-assessment remaining to complete the permitting process.

The EA approval underscores the Company's commitment to sustainable development and demonstrates compliance with all environmental and regulatory standards required for mining activity in Queensland

Sector Outlook

The rare earths sector continues to benefit from strong macroeconomic and geopolitical tailwinds. Major global governments — including those of the United States, Japan, the European Union and Australia — have prioritised the security of rare earth supply chains, driving new investment into domestic projects that reduce reliance on offshore processing.

As one of only a handful of advanced-stage Australian rare earths developers, Ark Mines is strategically positioned to capitalise on this structural demand shift, supported by high-grade, near-surface mineralisation, a low-cost beneficiation pathway, and strong alignment with government-backed initiatives for local supply chain development.

Sandy Mitchell Development Strategy – Key Near-Term Milestones

Ark Mines enters the December quarter well-funded and strongly positioned to deliver multiple value-defining milestones at Sandy Mitchell:

- Completion and analysis of drill assays for incorporation into the updated Measured Resource.
- Progression of metallurgical test work and integration of results into the forthcoming Pre-Feasibility Study (PFS).
- Finalisation of remaining regulatory steps for the Mining Licence application following Environmental Authorisation.
- Ongoing engagement with QIC, key stakeholders and commercial counterparties to advance infrastructure planning and project development initiatives.

The combination of strong institutional backing, advanced project readiness, and favourable policy conditions places Ark Mines at the forefront of Australia's next generation of rare earth producers.

SAFETY AND ENVIRONMENT FOR THE QUARTER

- Reportable Incidents Nil
- Medical Treatments Nil
- LTIs Nil
- Environmental incidents Nil
- Landholder Issues Nil

EXPLORATION EXPENDITURE SUMMARY FOR THE QUARTER

Table 1: Ark Expenditure Summary for the Quarter

	Current Quarter $A'(000)	Year to Date (6-months) $A'(000)
Compilation activities	7	56
Geophysical surveys and remote	0	4
Surface exploration	0	26
Drilling	0	48
Other laboratory work	1	12
Advanced prospect testing / resource estimation	80	307
Administration	0	0
Other	5	12
Total	**93**	**465**

TENEMENT SUMMARY

Table 2: Ark Tenements

Permit	Transferee Holder	Project	Ownership	Location (refer to Figure 1)
EPM 26464	Mt Jesse Pty Ltd	Mt Jesse	100%	North of Mt Garnet North Queensland
EPM 26560	Gunnawarra Pty Ltd	Gunnawarra	100%	South Of Mount Garnet North Queensland
EPM 26883	Mt Pluton Base Pty Ltd	Mt Pluton	100%	East Of Dimbulah North Queensland
EPM 28013	Ark Mines Ltd	Sandy Mitchell	100%	120km North-West of Chillagoe North Queensland

The Group did not acquire or dispose of any tenements during the quarter.

The Group has not entered into any farm-in agreements.

CORPORATE

Pursuant to ASX Listing Rule 5.3.5, payments of A$165,000 were made to related parties during the Quarter. These payments were made for consulting fees to executive Directors for work done to advance the Company’s exploration tenements and Board fees to all Directors to act as directors of the Company. The total of these amounts is shown in Section 6 of the Quarterly Cashflow Report.

SUBSEQUENT EVENTS

As at the date of this report, no material events have occurred post quarter-end.

PREVIOUSLY REPORTED INFORMATION

The information in this announcement references previously reported announcements. The announcements are available to view on the Company's website (www.arkmines.com.au) and on the ASX website (www.asx.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed.

AUTHORITY FOR RELEASE

This announcement has been approved by the Board of Ark Mines Ltd.

Roger Jackson

Executive Chairman

29 October 2025

For further information please contact:

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COMPETENT PERSONS STATEMENT

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Roger Jackson, who is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australasian Institute of Geoscientists. Mr Jackson is a shareholder and director of the Company. Mr Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the `Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code).

Mr Jackson consents to the inclusion of this information in the form and context in which it appears in this report. Mr Jackson confirms information in this market announcement is an accurate representation of the available data for the exploration areas being acquired.

MINERAL RESOURCE STATEMENT

The resource estimates are classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The Resource estimate was completed by Andrew Hawker of HGS Australia. Mr Hawker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The resource is classified as Indicated. The classification was considered appropriate based on drill spacing, sample intervals, geological interpretation and representativeness of all available assay and density data. The classification reflects the low confidence in short range grade estimations in the model.

EXPLORATION TARGET STATEMENT

The Exploration Target is classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The Exploration Target was completed by Daemon de Chaeney of Empirical Earth Science. Mr de Chaeney has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Chaeney consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Ark Mines' control.

Actual results and developments will almost certainly differ materially from those expressed or implied.

Ark Mines has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Ark Mines makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.