

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Full-scale processing plant trial of drilling samples from the Sandy Mitchell Rare Earths and Heavy Minerals Project in Queensland commences at Currumbin Minerals' treatment plant
- 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 towards mining licence approval.
- Environment base line studies nearing completion for the Sandy Mitchell Project
- The Phase 3 219-hole, 2,324m resource expansion drill program completed with results to be incorporated into a forthcoming Pre-Feasibility Study (PFS)
- Further engagement with the Queensland Government and project partners to fast-track the Sandy Mitchell development schedule, targeting first production in late 2027.

Ark Mines Limited (ASX: AHK) ('AHK' or the 'Company') is pleased to report on its activities for the quarter ending 31 December 2025 (Quarter, Reporting Period).

Executive Chairman Roger Jackson commented: "During the quarter, Ark achieved two milestones that further de-risk the Sandy Mitchell Rare Earths Project. Progressing a full commercial-scale processing trial with Currumbin Minerals advances our processing strategy while running the Pre-Feasibility Study in parallel. Importantly, receipt of the Environmental Authorisation is a major regulatory achievement and moves the Project closer to securing its Mining Licence.

With the rare earths sector continuing to be a key focus of the Australian critical minerals sector, we are progressing Sandy Mitchell as one of the most advanced REE projects at an opportune time. Our next steps include releasing the results of our recently completed resource expansion drilling, further improving our metallurgical testwork program, securing the Mining Licence and finalising the Pre-Feasibility Study. We look forward to accelerating towards these milestones and updating shareholders on our progress."

PROCESSING PLANT TRIAL

Ark Mines advised that a full-scale processing plant trial using drilling samples from its Sandy Mitchell Rare Earths and Heavy Minerals Project in North Queensland would commence in January 2026.

The processing plant trial, now underway, is being undertaken at Currumbin Minerals' wholly owned and operated licenced treatment facility in South-East Queensland.

Ark and Currumbin have an existing Memorandum of Understanding (MOU), which established a framework for the supply and delivery of Heavy Minerals Sands (HMS) from the Sandy Mitchell Project for processing at Currumbin's licenced treatment plant in South-East Queensland.

Samples taken from Ark's recently completed resource expansion drilling program have been used to generate a bulk sample for the plant trial.

Currumbin will undertake a full commercial-scale trial to assess final product specifications. Monazite rare earth

concentrate produced during the trial will be transported to a downstream processing facility for cracking and splitting of rare earth concentrates.

All commercial-grade material, including titanium minerals, zircon and garnet, will be assessed as part of the trial.

The processing plant trial will be undertaken by Ark, in collaboration with Currumbin, in parallel with the Sandy Mitchell Pre-Feasibility Study currently being progressed by IHC Robins.

In January 2024, Ark entered into a Memorandum of Understanding (MOU) with Currumbin, a specialist producer of heavy mineral sands (HMS), establishing a framework for the supply and delivery of mineral sands containing Rare Earth Elements and heavy minerals from the Sandy Mitchell Project.

Currumbin Minerals operates Australia's latest-technology heavy mineral sands gravity, electrostatic and magnetic processing plant based in Queensland.

ENVIRONMENTAL AUTHORISATION APPROVAL

Ark Mines advised that the Environmental Authority number P-EA-100805234 was issued by the Queensland Department of Environment, Tourism, Science and Innovation in accordance with the Environmental Protection Act 1994 ('the EP Act').

Receipt of the EA, the regulatory process to lodge the Permit application for Sandy Mitchell (ML100409) is largely complete, with only a security self-assessment now required to complete the Permit application.

To obtain EA approval, Ark was required to meet comprehensive eligibility criteria and standard conditions for mining lease activities, as prescribed by the EP Act. In addition to the requirements found in the conditions of the environmental authority, the holder must also meet their obligations under the EP Act, and the regulations made under the EP Act.

ENVIRONMENT BASE LINE STUDIES

In October, Ark announced that its environment base line studies for the Sandy Mitchell Project were nearing completion.

The Company's progress in this regard has included:

- Continuing monthly water sampling and monitoring in accordance with the Sandy Mitchell Ground Water Monitoring Plan. Commenced sampling in 2023, a few months following acquisition.
- Water sample results have been reported directly to the Department of Science.
- Commissioned a study of water infiltration on mineral sands by HydroElement Solutions to support decision making with respect to water management.
- Commissioned a desktop Cultural Heritage Assessment by Converge Heritage and Community.
- Commissioned a field assessment of cultural heritage in the resource area and stage 4 drill plan area by Converge Heritage and Community.
- Undertook a reconnaissance Flora and Fauna survey in 2023 to recognise any potential red flags

Early commencement of baseline surveys offers several key advantages for the Sandy Mitchell Project:

1. **Accelerated Permitting Process** – Early data collection ensures the timely submission of environmental studies, reducing regulatory delays and expediting approvals.
2. **Risk Mitigation** – Identifying potential environmental constraints early allows for proactive planning, minimising project risks and ensuring compliance with regulations.
3. **Stakeholder Confidence** – Demonstrates Arks commitment to responsible and sustainable mining, fostering positive relationships with regulators, local communities and investors.
4. **Optimised Project Design** – Comprehensive ecological data informs infrastructure placement, reducing environmental impact and improving operational efficiency.

5. **Cost Savings** – Addressing potential environmental issues early helps avoid costly redesigns or project modifications later in the development timeline.
6. **Enhanced Sustainability** – Supports the integration of environmental stewardship into project planning, ensuring long-term ecological and operational balance.

SANDY MITCHELL PROJECT DEVELOPMENT

Resource Expansion Drilling

All samples from the resource expansion drill program, comprising 219 holes for 2,324m, have been dispatched for assay, with results to be incorporated into an updated resource model forming the foundation of the upcoming Pre-Feasibility Study (PFS).

Results from the drill program are expected in Q2 2026.

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.

SANDY MITCHELL – KEY NEAR-TERM MILESTONES

Ark Mines entered the March 2026 quarter well-funded and strongly positioned to deliver multiple value-defining milestones at Sandy Mitchell:

- Incorporation of the resource expansion drill program assays into the updated Measured Resource.
- Progression of metallurgical test work and integration of results into the forthcoming PFS.
- Finalisation of remaining regulatory steps for the Mining Licence application following Environmental Authorisation
- Ongoing engagement with QIC, stakeholders and potential commercial partners

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.

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.

In another boost for the sector, the Australian Government recently announced further details of its Critical Minerals Strategic Reserve¹, with rare earth elements designated among the first minerals to be included due to their essential role in clean energy, advanced manufacturing and defence technologies. This initiative, backed by significant capital commitment and an expanded Critical Minerals Facility, is designed to strengthen domestic supply capacity and support export partnerships, enhancing resilience against supply disruptions and reinforcing Australia's strategic position in the global rare earths market.

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

¹ <https://www.industry.gov.au/news/strategic-reserve-secure-australias-critical-mineral-supply>

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

	Current Quarter \$(000)	Year to Date (6-months) \$(000)
Compilation activities	4	10
Geophysical surveys and remote	0	0
Surface exploration	28	48
Drilling	119	384
Other laboratory work	0	0
Advanced prospect testing / resource estimation	14	82
Administration	5	7
Other	105	155
Total	275	686

These amounts are shown in line 1.2 (a) of the Quarterly Cash flow Report.

TENEMENT SUMMARY

Permit	Holder	Project	Ownership	Location
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

CORPORATE

During the quarter, the Company raised \$4,500,000 through a \$500,000 placement of 2,994,012 fully paid ordinary shares at an issue price of \$0.167, and \$4,000,000 by sale of a 2% Royalty over production at Sandy Mitchell. The placement and sale were both made to the Queensland Investment Corporation Critical Minerals and Battery Technology Fund (refer ASX announcement dated 25 August 2025).

The Company also issued 2,878,765 fully paid ordinary shares at an issue price of \$0.20 for a total of \$575,753, to a related party on conversion of a convertible note instrument, and a further 144,118 fully paid ordinary shares at an issue price of \$0.40 for a total of \$57,647, on the exercise of options.

These amounts are shown in Sections 2 and 3 of the Quarterly Cash flow Report.

Payments of \$205,000 were made to related parties and their associates 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 Cash flow 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.

This announcement has been approved for release to the ASX by the Board of Ark Mines Limited.

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