

SANDY MITCHELL SCOPING STUDY: POST-TAX NPV₈ A\$883M FOR A 26-YEAR, 13 MTPA RARE EARTHS AND HEAVY MINERALS OPERATION

HIGHLIGHTS

- Scoping Study Update (**Study**) for the Sandy Mitchell Rare Earths and Heavy Minerals Project (**Project**) outlines a 13.0 Mtpa mineral sands operation over an approximately 26-year mine life, processing 313.8 Mt of ore at an average grade of 5,204 ppm MzEq
- Post-tax NPV₈ of **A\$883M**, IRR of **29.7%** (after tax and equipment finance) and payback of pre-production capital in **3.5 years** from first production.
- Pre-production capital of **A\$383.6M**, including a 25% contingency
- Average annual revenue of approximately **A\$348M**, comprising garnet A\$181M, monazite A\$78M, biotite A\$43M, muscovite A\$26M, zircon A\$13M, and xenotime and titanium minerals A\$8M, with an average annual operating surplus (after royalties and freight) of approximately **A\$189M**
- Life-of-mine revenue of A\$8.39 billion and operating surplus of A\$4.56 billion (undiscounted, real)
- Price deck: monazite A\$11,050/t (US\$7,183/t) and garnet at a blended A\$927/t (US\$602.50/t), within Project Blue's refined garnet range of US\$550–760/t; crude garnet trades at US\$180–280/t. Garnet provides about 52% and monazite about 22% of life-of-mine revenue
- Funding: the Project has been funded to date by a A\$4.5 million investment from the Queensland Critical Minerals and Battery Technology Fund, managed by QIC (ASX announcement 25 August 2025). The Project has Queensland Government support, including that investment and the grant of Mining Lease ML100409 in March 2026. Development is expected to be funded through project debt, offtake-linked finance and equity; no development funding has been committed and equity funding may be dilutive
- Offtake: the Company has held detailed discussions with a number of potential offtake parties for rare earth concentrate, garnet and mica products, including interest in offtake-linked prepayment finance. Discussions are non-binding and no agreements have been reached. The completion of the Scoping Study is a key milestone to progressing discussions with potential partners
- The production target is based on the Mineral Resource Estimate announced on 22 September 2026 (379.4 Mt at 5,430 ppm MzEq, 97% Measured and Indicated), since refined to 373.3 Mt at 5,420 ppm MzEq, a change the Company and the Competent Person consider not material. Approximately 97% of the production target is Measured and Indicated and 3% Inferred
- Based on the Mineral Resource announced on 22 September 2026: Total Heavy Minerals of 3.0% and Total Commercial Minerals of 16.2%, equating to approximately 11.6 Mt of contained heavy minerals and 61.4 Mt of contained commercial minerals (in-situ; no metallurgical recovery applied)
- Estimated in-situ contained minerals of approximately 508,000 t monazite, 527,000 t monazite plus xenotime, 140,000 t TREO+Y and 254,000 t zircon (in-situ; no metallurgical recovery applied)

- Next steps: a Pre-Feasibility Study (**PFS**) and JORC Ore Reserve, expected to commence immediately, supported by bulk sampling from four test pits (about 37 kt), garnet and mica product qualification with buyers, and further metallurgical testwork

CAUTIONARY STATEMENT

The Scoping Study referred to in this announcement has been undertaken to assess the potential technical and economic viability of developing the Sandy Mitchell Project. It is a preliminary technical and economic study based on low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. Further exploration and evaluation work and appropriate studies are required before the Company will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The production target is underpinned by approximately 97% Measured and Indicated Mineral Resources and 3% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. No Exploration Target material is included in the production target or the financial forecasts.

The Scoping Study is based on the material assumptions set out in this announcement and in Appendix 1. These include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of outcomes indicated in the Scoping Study, pre-production funding in the order of A\$383.6 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to realise the value of the Project, such as a sale, partial sale or joint venture. If it does, this could materially reduce the Company's proportionate ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Ark Mines Limited (ASX: AHK) ('AHK' or the 'Company') reports the outcomes of an updated Scoping Study for its 100%-owned Sandy Mitchell Rare Earths and Heavy Minerals Project in Far North Queensland. The Study was prepared by MEC Mining (**MEC**) with input from IHC Mining, Mineral Technologies and the Company, and is based on the Mineral Resource Estimate announced on 22 September 2026.

The Study assesses a conventional mineral sands operation: dozer-push mining to two mobile mining units, wet concentration, flotation and a mineral separation plant producing a rare earth mineral concentrate (monazite and xenotime), zircon, titanium minerals, garnet and mica products, with tailings returned to the mined-out area and progressive rehabilitation.

This Study supersedes the Scoping Study announced on 11 December 2024, and the Company no longer relies on the outcomes of that study.

Managing Director Ben Emery commented: "Sandy Mitchell has the scale to support long-life, scalable production of both light and heavy rare earths, alongside zircon, garnet and mica. On our review it is the largest rare earth resource of its type reported under the JORC Code, and this Study shows it can support a

26-year operation with a post-tax NPV of A\$883 million (the resource covers less than 22% of the radiometric high area on our tenement). This is simple sand mining. The ore is free-dig from surface, with no drilling or blasting, and tailings go back into the mined area so the land can be progressively rehabilitated. That gives us a low operating cost of A\$8.31 per tonne of ore. It is an operation designed to keep its environmental footprint small, in an established mining region where we already hold a granted mining lease. We have strong support from the Queensland Government, and potential offtake partners have shown real interest in our products and have been waiting for this Study. Our next step is the Pre-Feasibility Study and bulk sampling, which will take Sandy Mitchell towards a development decision and production.”

Key Study Outcomes

Table 1: Key outcomes of the Sandy Mitchell Scoping Study Update (real A\$, 8% discount rate, A\$1.00 = US\$0.65).

Metric	Unit	Outcome
Mining and production		
Ore mined (production target)	Mt	313.8
Average head grade	ppm MzEq	5,204
Operating mine life	years	~26
Steady-state ore mining rate	Mtpa	13.0
Nominal ROM rate (two mobile mining units)	t/h	2,500
Measured and Indicated / Inferred in production target	%	97 / 3
Capital and operating costs		
Pre-production capital (incl. 25% contingency)	A\$M	383.6
Equipment finance assumed (three tranches of A\$65.4M)	A\$M	196.1
Sustaining capital	% of initial capital p.a.	3.0
Closure allowance	A\$M	15.0
Site operating cost (LOM)	A\$M	2,606.4
Site operating cost	A\$/t ore	8.31
Revenue, royalties and freight		
Gross revenue (LOM)	A\$M	8,389.2
Gross revenue per tonne of ore	A\$/t ore	26.74
Royalties (LOM, incl. State and 2% QIC royalty)	A\$M	401.5
Freight and logistics (LOM)	A\$M	825.7
Operating surplus after royalties and freight (LOM)	A\$M	4,555.6
Financial outcomes		
NPV ₈ post-tax (after equipment finance)	A\$M	883

Metric	Unit	Outcome
IRR post-tax (after equipment finance)	%	29.7
Payback of pre-production capital (from first production)	years	3.5
NPV ₈ pre-tax, after royalties and freight	A\$M	1,346
IRR pre-tax, after royalties and freight	%	36.3
NPV ₈ pre-tax, before royalties and freight	A\$M	1,877
IRR pre-tax, before royalties and freight	%	46.6

Source: Sandy Mitchell Scoping Study Update (MEC, 28 October 2026), financial model dated 26 October 2026, corrected for tax depreciation and updated for a 25% capital contingency and an A\$250/t agricultural biotite price on 29 October 2026. Figures are rounded. All financial figures are real (2026) and in Australian dollars unless stated.

Project Overview

The Project is on Mount Mulgrave Station in Far North Queensland, approximately 230 km north-west of Cairns and 200 km north-north-west of Chillagoe. Access is by the Burke Developmental Road and Mount Mulgrave Road, then station tracks. The land is used for cattle grazing and the nearest homestead is about 9 km from the Project.

Tenure and approvals

The Project comprises Mining Lease ML100409 (403 ha, granted for 10 years for prescribed critical minerals, ASX announcement 17 March 2026) and Exploration Permit EPM 28013 (granted 22 August 2022; current term ends 21 August 2027). There are no registered native title claimants over either tenement.

ML100409 and its standard Environmental Authority are sufficient for the proposed bulk sampling program but not for commercial mining. The planned mining footprint of approximately 23 km² lies largely outside ML100409. Commercial mining will require:

- a new mining lease application over the mining and infrastructure areas, made before the EPM 28013 term ends or the required sub-blocks are relinquished;
- a site-specific Environmental Authority and Progressive Rehabilitation and Closure Plan;
- an Environmental Impact Statement (expected at the proposed production rate) and referral under the EPBC Act; and
- Water Act approvals, including a water licence under the Water Plan (Mitchell) 2007 and a raw water storage dam.

The Study's indicative approvals schedule runs approximately 40 months from preliminary project description to grant of the mining lease, with seasonal ecological surveys and surface water and groundwater baseline studies on the critical path. Construction and commissioning are expected to take 10–12 months after approvals and financing are in place.

Infrastructure and logistics

The Project will be self-contained, with site power generation, water supply from a raw water dam, workshops and accommodation, and Starlink communications. Bulk products would be trucked to the Port of Mourilyan for export (A\$100/t), bagged rare earth concentrate containerised through Townsville (A\$104.90/t), and agricultural biotite delivered to Dimbulah for regional supply (A\$20/t). Freight estimates were prepared with Qube Logistics.

Wet-season road closures will require product stockpiling at site.

Mineral Resource and Production Target

The production target is based on the Mineral Resource Estimate announced on 22 September 2026 (Table 2), prepared by HGS Australia and reported above a 1,957 ppm monazite-equivalent (MzEq) cut-off.

Table 2: Sandy Mitchell JORC (2012) Mineral Resource Estimate as announced on 22 September 2026 (1,957 ppm MzEq cut-off).

Classification	Tonnes (Mt)	MzEq (ppm)	THM (%)	TREO+Y (ppm)	Monazite (ppm)
Measured	73.2	4,990	2.6	430	1,310
Indicated	296.4	5,570	3.2	360	1,360
Measured + Indicated	369.6	5,460	3.1	370	1,350
Inferred	9.8	4,630	2.4	370	930
Total	379.4	5,430	3.0	370	1,340

Source: AHK ASX announcement, 22 September 2026. MzEq is calculated on an eleven-mineral basis including garnet, muscovite and biotite. THM = total heavy minerals. Figures are rounded and may not sum. No Ore Reserve has been estimated.

Refinement of the Mineral Resource Estimate

Since the 22 September 2026 announcement, HGS Australia has refined the Mineral Resource Estimate to 373.3 Mt at 5,420 ppm MzEq (Table 3), following evaluation of the block model within the mineralised domain wireframe. Tonnes are 1.6% lower and grade 0.2% lower. Measured and Indicated Resources remain 97% of the total, and contained monazite is about 500 kt compared with 509 kt previously.

Table 3: Comparison of the refined and announced Mineral Resource Estimate.

Classification	Announced 22 Sep 2026 (Mt)	MzEq (ppm)	Refined (Mt)	MzEq (ppm)
Measured	73.2	4,990	73.4	4,990
Indicated	296.4	5,570	290.1	5,560
Inferred	9.8	4,630	9.8	4,630
Total	379.4	5,430	373.3	5,420

The Company considers that this change is not material and has therefore not reported an updated estimate under Listing Rule 5.8. The Competent Person, Mr Andrew Hawker of HGS Australia, has confirmed the refined figures and that the change is not material. The production target of 313.8 Mt (360.7 Mt before sterilisation) lies within the refined estimate. The Company will report the refined estimate in its next annual Mineral Resources and Ore Reserves statement.

Mine plan

A margin-ranking model was used to define the mining extent, identifying 360.7 Mt within the Mineral Resource.

Leaving in-situ embankments between mining cells to contain returned tailings sterilises approximately 13% of this material, giving the 313.8 Mt production target. Mining is scheduled at approximately 13.0 Mtpa for 24 years, with a final partial year, followed by tailings rehandling and final rehabilitation (Figure 1).

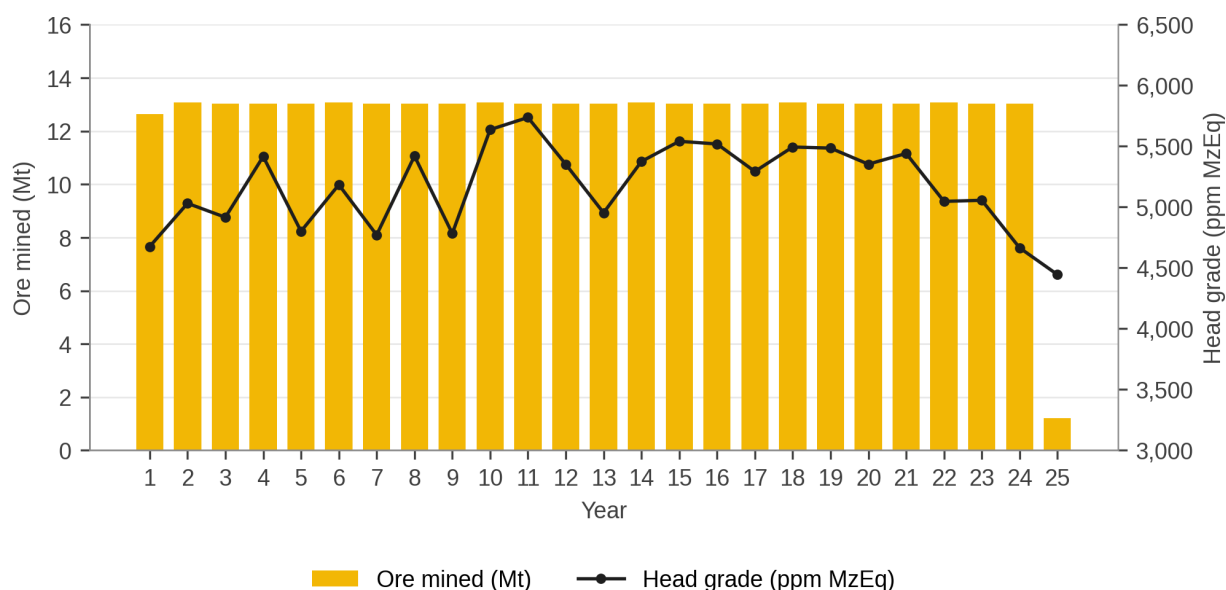


Figure 1: Scheduled annual ore mined and head grade (ppm MzEq).

Approximately 97% of the production target is classified as Measured and Indicated and 3% as Inferred. Inferred material lies at the margins of the deposit and is not a determining factor in the Project's economics.

Mining is free-dig with minimal waste: approximately 11.2 Mbcm of topsoil and clay-rich near-surface material will be stripped and stored for rehabilitation, against 0.2 Mbcm of waste. D11-class dozers push ore to two mobile mining units, supported by Caterpillar 992-class loaders, an excavator, haul trucks and ancillary equipment.

Metallurgy and Products

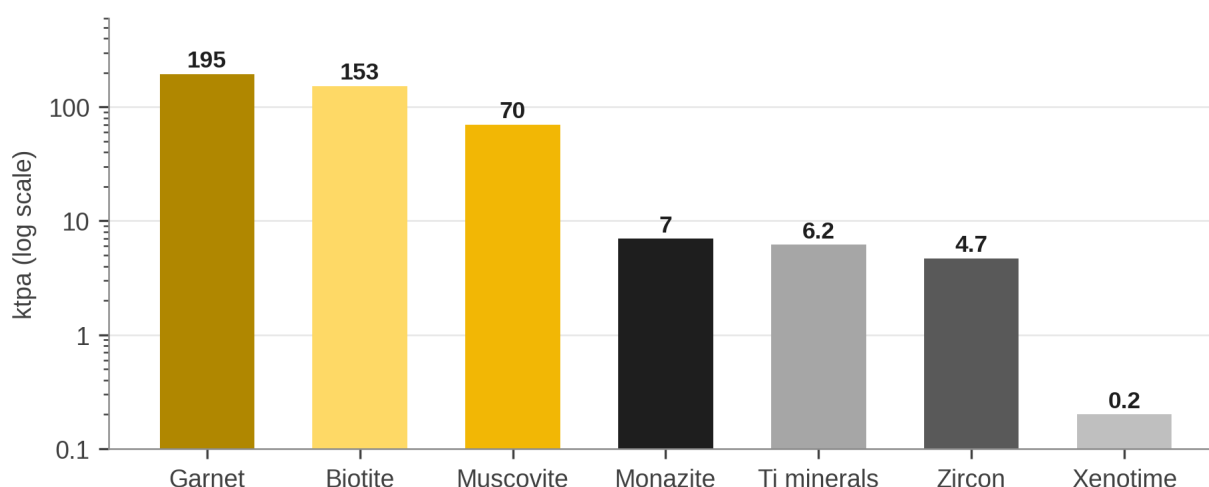
Recoveries are based on bulk sample and characterisation testwork by Mineral Technologies (2023) and IHC Mining (2025–2026), and on QEMSCAN mineralogy. Mineral Technologies produced a rare earth mineral concentrate grading 51.9% REO from a composite sample. IHC Mining's Phase 1 program confirmed conventional mineral sands processing as the basis for flowsheet development.

ANSTO scoping testwork on Sandy Mitchell monazite concentrate achieved light rare earth extractions of up to 99.6% by acid bake and water leach, and approximately 98% by caustic conversion and hydrochloric acid leach (ASX announcement 8 October 2026). The Study assumes the sale of mineral concentrates; downstream processing is not included in the financial outcomes.

Table 4: Recoveries and saleable production assumed in the Study.

Product	Recovery to product (%)	LOM saleable (kt)	Average annual (ktpa)	Testwork basis
Monazite (in REMC)	42	169	7.0	MT 2023; IHC 2025–26
Xenotime (in REMC)	40	6	0.2	MT 2023; IHC 2025–26
Zircon	56	112	4.7	IHC 2025–26
Rutile, leucoxene, ilmenite	50	149	6.2	QEMSCAN; recovery to be confirmed
Garnet (blasting and waterjet/polishing)	57	4,704	195	IHC 2025–26; flowsheet additions
Muscovite	50	1,682	70	IHC 2025–26
Biotite (agricultural and industrial)	55	3,676	153	IHC 2025–26

Recoveries are from ore to saleable product. Average annual figures are over approximately 24 years of full production. Biotite sales are capped at 115 ktpa agricultural and 35 ktpa industrial; biotite recovered beyond these volumes is not valued.


Figure 2: Average annual saleable production by product (ktpa, log scale).

Garnet recovery of 57% depends on circuits that are still being tested: attrition scrubbing to remove iron-oxide coatings, plate electrostatic separation above 0.3 mm, and flotation of biotite then garnet below 0.3 mm. Conventional electrostatic separation did not separate garnet from titanium minerals in IHC's testwork. The 57% applies to garnet in the heavy mineral fraction; garnet locked in light-mineral particles is not counted as recoverable. Titanium minerals contribute about 1.5% of revenue and their recovery has not yet been confirmed by testwork.

Product specifications for the rare earth concentrate (including thorium and uranium content), garnet (ISO 11126-10) and biotite for soil application have not yet been confirmed against buyer requirements.

Markets and Price Deck

Prices are held flat in real 2026 terms (Table 5).

Table 5: Product price assumptions and revenue contribution.

Product	Price (A\$/t)	Price (US\$/t)	Source	Share of LOM revenue
Monazite	11,050	7,183	Project Blue	22.3%
Xenotime	11,018	7,162	Project Blue	0.8%
Zircon	2,731	1,775	Osmond Resources scoping study	3.7%
Rutile	1,790	1,164	Project Blue	0.3%
Leucoxene (high- and low-Ti)	1,100	715	Project Blue	0.8%
Ilmenite / altered ilmenite	410 / 450	267 / 293	Project Blue	0.4%
Garnet – blasting grades (50%)	846	550	Project Blue refined minimum	23.8%
Garnet – waterjet and polishing grades (50%)	1,008	655	Project Blue refined midpoint	28.4%
Muscovite	374	243	Project Blue	7.5%
Biotite – agricultural	250	162.50	Indicative distributor terms	8.3%
Biotite – industrial	385	250	Project Blue standard midpoint	4.0%

US\$ prices at A\$1.00 = US\$0.65. Revenue shares are calculated from saleable tonnes and prices and may not sum due to rounding.

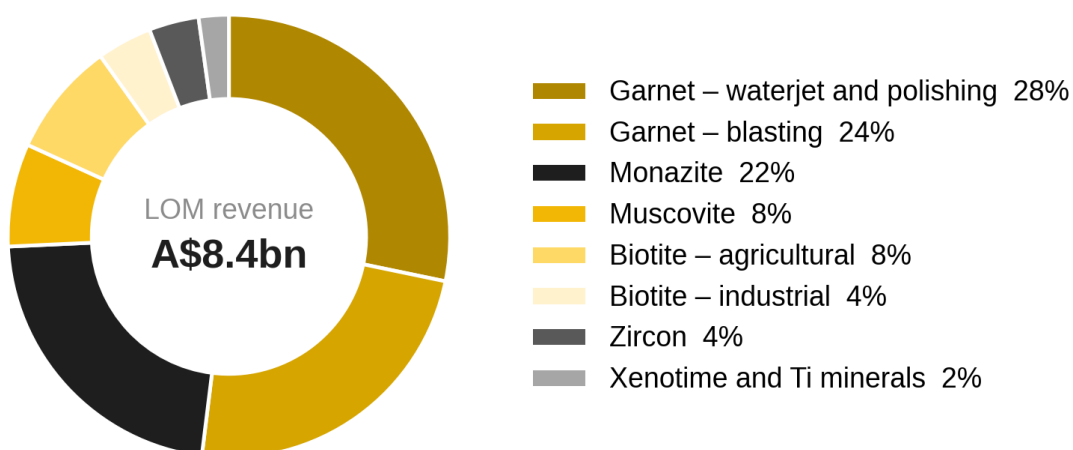


Figure 3: Share of life-of-mine gross revenue by product.

Rare earth concentrate

The rare earth mineral concentrate is dominated by monazite, with a monazite to xenotime ratio of about 27:1. It would be sold to third-party refiners using sulphuric acid bake or caustic cracking, including refiners in Australia and North America such as those being developed by Energy Fuels and USA Rare Earth. The commercial product will be a combined concentrate priced on its rare earth content and its thorium and uranium levels.

Garnet

Garnet is the largest contributor to revenue. The world industrial garnet market is approximately 970,000 tpa, with Australia the largest producer. At about 195 ktpa, Sandy Mitchell would supply about 20% of world demand and would need to place product in Australian and export blasting, waterjet and polishing markets.

The Study prices all garnet as refined product. Half is priced at Project Blue's refined minimum of US\$550/t (coarser blasting grades) and half at the refined midpoint of US\$655/t (finer waterjet and polishing grades), a blended US\$602.50/t. This reflects IHC's garnet size distribution: about 50% of saleable garnet is expected in the 250–500 µm blasting range and about 49% in finer waterjet and micron polishing grades. The Study includes A\$4.5M of capital and A\$2.00/t of operating cost for crushing, regrinding, classification and grading to refined specification.

Project Blue's crude garnet range is US\$180–280/t, and IHC Mining's December 2025 review indicated an average market price of about US\$150/t, reflecting mostly crude and concentrate sales. Achieving refined prices depends on producing graded product to specification and qualifying it with buyers, which is a priority for the next phase of work.

Mica products

Agricultural biotite is priced on indicative terms from an Atherton Tablelands fertiliser distributor as a slow-release potassium and soil conditioner; no binding agreement is in place. Industrial biotite sales of 35 ktpa from Year 2 would be about 10% of world scrap and flake mica supply. Muscovite is priced as flake mica concentrate.

Capital and Operating Costs

Pre-production capital is estimated at A\$383.6M, including a 25% contingency, at Scoping Study level of accuracy. It covers mining equipment and mobile mining units, ROM screening, the wet concentrator plant, flotation circuit, mineral separation plant, dewatering and fine-mineral recovery, site roads, water management, electrical systems, the mine infrastructure area and product handling. It includes A\$4.5M for garnet beneficiation and about A\$13M for the biotite processing circuit. The estimate is based on typical equipment and installation costs and will be refined with vendor quotations in the PFS.

The financial model assumes equipment finance for the mining fleet and designated equipment in three tranches of A\$65.4M at 6.5% over 10 years. This is not a committed facility.

Site operating costs average A\$8.31/t of ore over the life of mine (Table 6, Figure 4). Sustaining capital is 3% of initial capital per year and closure costs of A\$15M are included.

Table 6: Life-of-mine site operating costs.

Cost area	LOM (A\$M)	A\$/t ore
Mining, soil handling and rehabilitation	569.7	1.82
Screening and desliming	296.2	0.94
Wet concentrator plant	512.0	1.63
Flotation circuit	261.2	0.83
Silt treatment	35.3	0.11
Mineral separation plant	59.8	0.19
Garnet and biotite processing	125.5	0.40
Tailings management	276.1	0.88
General and administration	470.6	1.50
Total site operating cost	2,606.4	8.31

Royalties (Queensland mineral sands, rare earth, mica and unlisted mineral royalties, and a 2% royalty to QIC) and product freight are reported separately in Table 1.

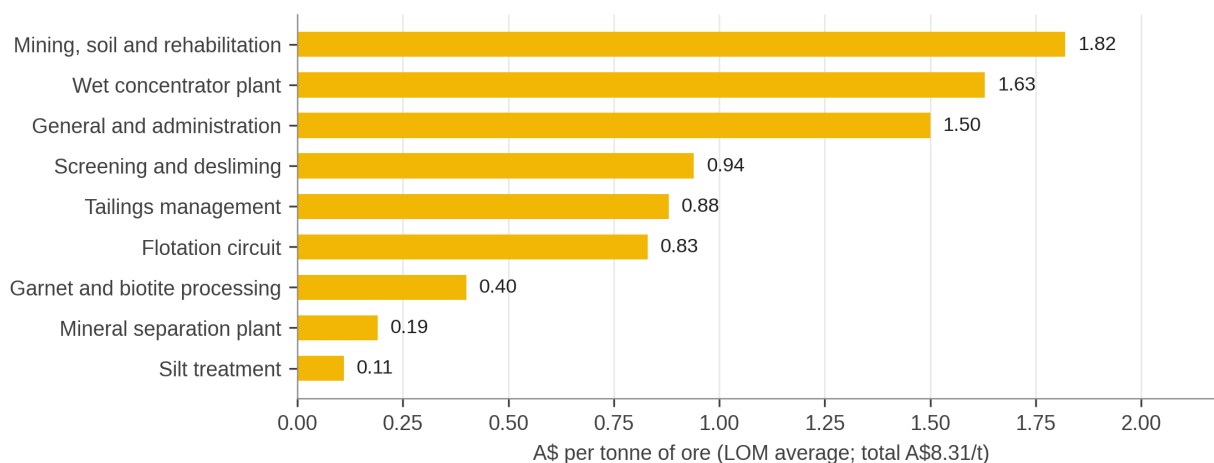


Figure 4: Life-of-mine site operating cost by area (A\$/t ore).

Financial Outcomes

The financial model is in real Australian dollars with an 8% discount rate, an exchange rate of A\$1.00 = US\$0.65, corporate tax at 30% and carried-forward tax losses, tax depreciation (initial capital straight-line over 20 years, replacement mining equipment over the remaining mine life and sustaining capital deducted as incurred), Queensland State royalties, the QIC royalty and equipment finance. Revenue is assumed within the first year of operations; a production ramp-up has not yet been modelled and will be included in the PFS.

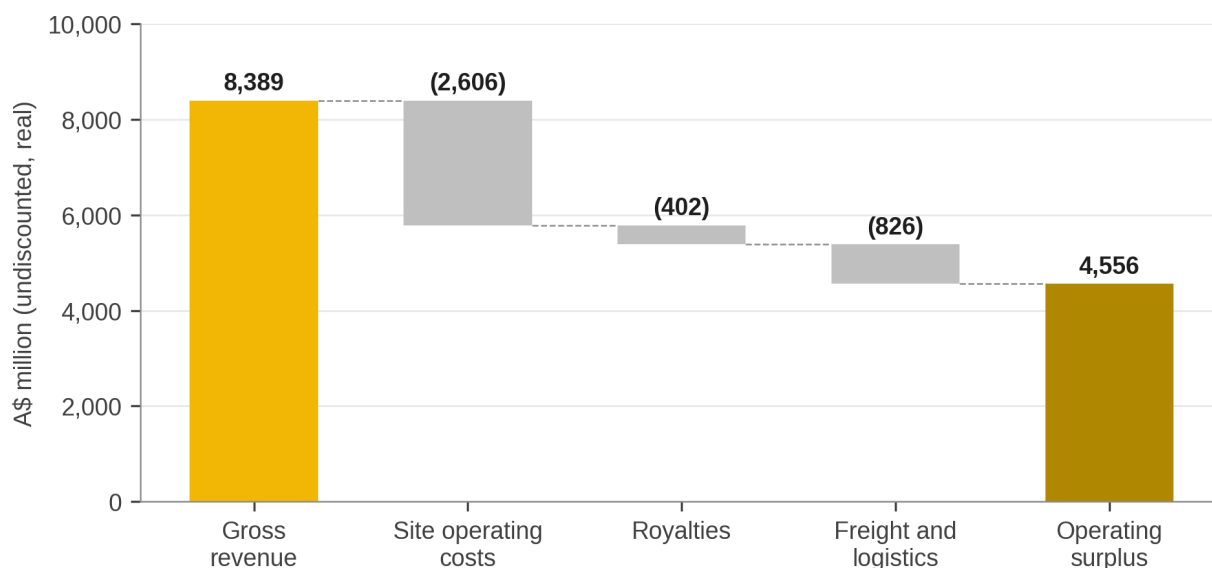


Figure 5: Life-of-mine gross revenue to operating surplus (A\$M, undiscounted, real).

Table 7: Life-of-mine financial summary.

Item	LOM (A\$M)	Average per year (A\$M)
Gross revenue	8,389.2	348
Site operating costs	(2,606.4)	(108)
Royalties	(401.5)	(17)
Freight and logistics	(825.7)	(34)
Operating surplus (after royalties and freight)	4,555.6	189
Pre-production capital	(383.6)	–
Post-tax NPV₈ (after equipment finance)	883	–
Post-tax IRR (after equipment finance)	29.7%	–
Payback of pre-production capital	3.5 years	–

Average per year is over approximately 24 years of full production.

Sensitivities

The A\$:US\$ exchange rate is the variable with the greatest effect on value, followed by the garnet price, the monazite price and monazite recovery (Figure 6, Table 8). Ore mining and individual processing costs have a comparatively small effect.

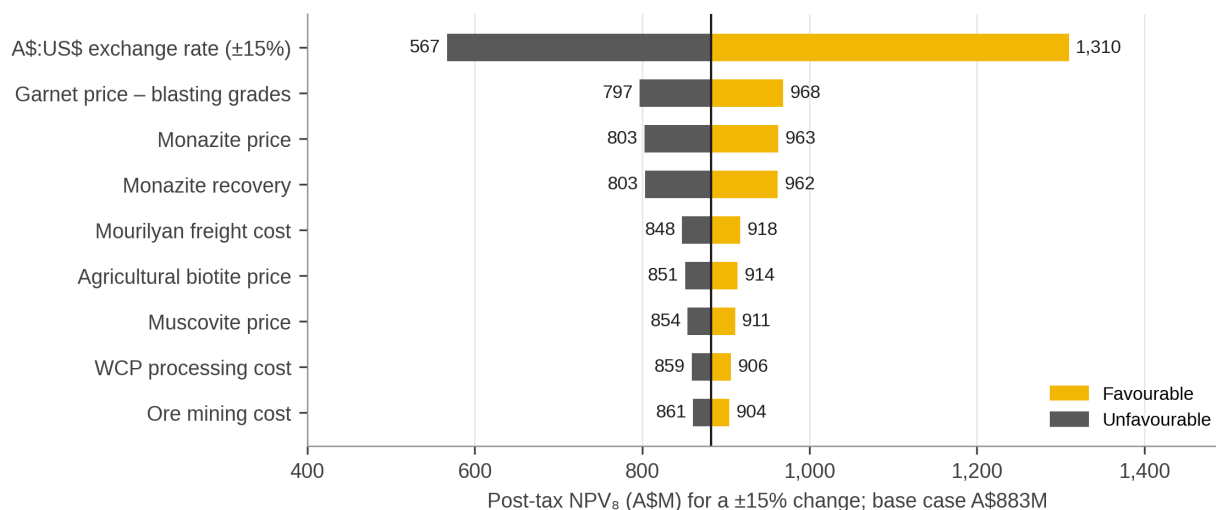


Figure 6: Post-tax NPV₈ sensitivity to a ±15% change in key inputs (A\$M).

Table 8: Post-tax NPV₈ sensitivity (A\$M).

Variable	-15%	Base	+15%
A\$:US\$ exchange rate (0.553 / 0.65 / 0.748)	1,310	883	567
Garnet price – blasting grades	797	883	968
Monazite price	803	883	963
Monazite recovery	803	883	962
Mourilyan freight cost	918	883	848
Agricultural biotite price	851	883	914
Muscovite price	854	883	911
WCP processing cost	906	883	859
Ore mining cost	904	883	861

Results from the financial model (updated 29 October 2026) for a ±15% change in each input, with all other inputs at base case.

Because garnet provides about 52% of revenue, the Project's value is sensitive to achieving refined garnet prices. Selling garnet at crude rather than refined prices would materially reduce the Project's value.

Funding Pathway

Pre-production funding of approximately A\$383.6M will be required. The Company expects to fund development through a combination of project debt, offtake-linked finance and equity. The current status of each potential source is:

- QIC and the Queensland Government:** the Project has been funded to date by a A\$4.5 million investment from the Queensland Critical Minerals and Battery Technology Fund, managed by QIC, comprising a royalty over Project sales and a A\$0.5 million equity investment (ASX announcement 25 August 2025). The 2% QIC royalty is included in the Study. Queensland Government support also includes the grant of ML100409 for prescribed critical minerals in March 2026. This support does not represent a commitment to fund development.

- **Government and export credit finance:** the Project produces critical minerals and is located in northern Australia, and the Company considers it may be eligible for consideration by government financiers such as the Northern Australia Infrastructure Facility and Export Finance Australia. No application has been made and no funding has been offered.
- **Offtake and offtake finance:** the Company has held detailed discussions with a number of potential offtake parties covering rare earth concentrate, garnet and mica products, including interest in offtake-linked prepayment finance. No terms have been agreed and there is no certainty that any agreement will be reached.
- **Equipment finance:** the Study assumes equipment finance for the mining fleet in three tranches of A\$65.4M; no facility has been arranged.
- **Equity:** the balance is expected to be raised as equity, which may be dilutive to existing shareholders.

The Board considers there is a reasonable basis to assume that funding will be available, having regard to: the granted mining lease and defined approvals pathway; a Mineral Resource that is 97% Measured and Indicated; the Project's critical-minerals products and northern Australian location; the investment already made by the Queensland Critical Minerals and Battery Technology Fund; the interest received from potential offtake parties, including in offtake-linked finance; the Company's access to equity markets as an ASX-listed company; and the experience of the Board and management in financing and developing resource projects.

Development Options

The PFS will assess options to reduce initial capital and funding risk, including a staged start with one mobile mining unit and a smaller first-stage plant, the sale of a heavy mineral concentrate in early years, and deferral of the garnet and mica circuits until offtake is secured.

Key Risks

- **Markets and prices:** garnet and mica sales volumes are large relative to their markets, and refined garnet pricing has not been confirmed with buyers. No offtake agreements are in place for any product.
- **Metallurgy:** garnet separation, titanium mineral recovery and product specifications depend on testwork still in progress; recoveries have not yet been demonstrated at bulk scale.
- **Approvals and tenure:** commercial mining requires a new mining lease, a site-specific Environmental Authority, an EIS and likely EPBC Act assessment, with an indicative approvals period of about 40 months.
- **Tailings and water:** in-pit tailings containment relies on in-situ embankments whose permeability has not been tested, and water storage is limited to 250 ML under the water plan without additional approvals.
- **Exchange rate:** a 15% stronger Australian dollar would reduce post-tax NPV₈ to about A\$567M.
- **Funding:** the capital required is large relative to the Company's current market capitalisation.

Next Steps

Table 9: Planned work program.

Activity	Timing
Bulk sampling from four test pits (about 37 kt) under ML100409 for metallurgical, geotechnical and hydrological data	Planned from Q4 2026
ANSTO large-scale acid bake test and impurity removal	Underway
Garnet breakage, scrubbing and flotation testwork; product qualification with blasting and waterjet buyers	2027
Commence Pre-Feasibility Study and JORC Ore Reserve	Immediately
Baseline ecological, surface water and groundwater studies (approvals critical path)	From commencement of approvals
Lodge new mining lease application	With draft EA, about month 38 of approvals program
Engagement with potential financiers and offtake parties	Ongoing

COMPETENT PERSONS' STATEMENTS

The information in this announcement that relates to the Mineral Resource Estimate, including its refinement described in this announcement, is based on, and fairly represents, information and supporting documentation compiled by Andrew Hawker, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is Principal Geologist of HGS Australia and is independent of Ark Mines Limited. Mr Hawker has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code, and consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the source, sampling and compositing of the samples used in the testwork is based on, and fairly represents, information and supporting documentation compiled by Daemon De Chaeney, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Daemon De Chaeney is a full-time employee of Ark Mines Limited and holds no shares/options in the Company. Daemon De Chaeney has sufficient experience that is relevant to the style of mineralisation, type of deposit and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Daemon De Chaeney consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

PREVIOUSLY REPORTED INFORMATION

The information in this announcement that relates to the Mineral Resource Estimate and the ANSTO metallurgical testwork is extracted from the Company's ASX announcements dated 22 September 2026 and 8 October 2026 respectively, available at www.asx.com.au. Other than the refinement of the Mineral Resource Estimate described in this announcement, which the Company and the Competent Person consider is not material, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources,

that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

PRODUCTION TARGET AND FORECAST FINANCIAL INFORMATION

The Company has concluded that it has a reasonable basis for providing the forward-looking statements, production target and forecast financial information included in this announcement. The detailed reasons for that conclusion are set out throughout this announcement, and all material assumptions on which the production target and forecast financial information are based are set out in Appendix 1.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, including statements regarding the Scoping Study outcomes, the production target, forecast financial information, the timing and outcome of the Pre-Feasibility Study, bulk sampling, metallurgical testwork, approvals, funding and product markets. Forward-looking statements are based on the Company's current expectations and assumptions as at the date of this announcement and are subject to known and unknown risks, uncertainties and other factors, many of which are outside the Company's control. Actual results, performance and achievements may differ materially from those expressed or implied. The Company does not undertake to update any forward-looking statement except as required by law.

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

– ENDS –

For more information, please contact:

Roger Jackson
Executive Chairman
info@arkmines.com

Ben Emery
Managing Director
info@arkmines.com

APPENDIX 1 – MATERIAL ASSUMPTIONS (LISTING RULES 5.16 AND 5.17)

The material assumptions on which the production target and forecast financial information are based are set out below.

Criteria	Commentary
Mineral Resource	Mineral Resource Estimate announced 22 September 2026: 379.4 Mt at 5,430 ppm MzEq (1,957 ppm MzEq cut-off), 97% Measured and Indicated; since refined to 373.3 Mt at 5,420 ppm MzEq (not material). No Ore Reserve has been estimated.
Study status	Scoping Study prepared by MEC Mining (28 October 2026) with input from IHC Mining, Mineral Technologies and the Company. Cost estimates are at Scoping Study level of accuracy.
Production target	313.8 Mt over ~26 years: approximately 97% Measured and Indicated and 3% Inferred. No Exploration Target material.
Mining method	Free-dig strip mining: dozer push to two mobile mining units, with loaders, excavator, trucks and ancillary fleet. Cells of 300 m × 400 m separated by in-situ embankments, sterilising ~13% of the mined inventory (360.7 Mt to 313.8 Mt).
Mining rate and schedule	13.0 Mtpa ore for 24 years, final partial year, then tailings rehandling and rehabilitation. Average head grade 5,204 ppm MzEq. Ramp-up not yet modelled.
Processing	Screening, desliming, wet concentration, flotation, silt treatment and mineral separation, with garnet and biotite finishing circuits. Nominal ROM rate 2,500 t/h.
Recoveries (ore to product)	Monazite 42%; xenotime 40%; zircon 56%; titanium minerals 50%; garnet 57%; muscovite 50%; biotite 55%. Biotite sales capped at 115 ktpa agricultural and 35 ktpa industrial.
Prices	As per Table 5, flat in real 2026 terms. Exchange rate A\$1.00 = US\$0.65.
Capital costs	Pre-production A\$383.6M incl. 25% contingency (including garnet beneficiation A\$4.5M and biotite circuit ~A\$13M); sustaining capital 3% p.a.; closure A\$15M.
Operating costs	Activity-based unit costs: ore mining A\$1.50/t; soil handling A\$2.50/t; waste A\$2.00/t; screening A\$0.50/t ROM; desliming A\$0.60/t; WCP A\$4.50/t feed; flotation A\$4.50/t feed; silt A\$0.50/t; MSP A\$1.50/t feed; tailings A\$0.80/t; G&A A\$1.50/t ROM; garnet A\$2.00/t. LOM average A\$8.31/t ore.
Freight	Mourilyan bulk A\$100/t; Townsville containers A\$104.90/t; Darwin A\$364/t; Dimbulah (agricultural biotite) A\$20/t.
Royalties	Queensland mineral sands royalty 5%; rare earths (xenotime) 3%; mica A\$1.50/t; unlisted minerals (garnet) 3%; QIC royalty 2%.
Tax and finance	Corporate tax 30%; tax depreciation straight-line over 20 years for initial capital and over the remaining mine life for replacement mining equipment; sustaining capital deducted as incurred; carried-forward losses. Equipment finance in three tranches of A\$65.4M at 6.5% over 10 years (not committed).
Discount rate	8% real.
Construction	10–12 months after approvals and financing.
Approvals	New mining lease, site-specific EA and PRCP, EIS, EPBC Act referral and Water Act approvals required for commercial mining; indicative approvals period ~40 months.

Criteria	Commentary
Marketing	No offtake agreements. Agricultural biotite on indicative terms from one distributor. Garnet priced at Project Blue refined prices.