



ACN 123 668 717

Annual Report

For the Year Ended 30 June 2025

CORPORATE DIRECTORY

Directors	Roger A Jackson Benjamin P Emery Ian B Mitchell
Company Secretaries	Ian B Mitchell Ian K White
Registered Office	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000 Telephone: +61 (0)2 9232 5444
Principal Place of Business	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000 Telephone: +61 (0)2 9232 5444
Share Register	Computershare Investor Services Pty Limited Level 17 221 St George's Terrace Perth WA 6000 GPO Box D182 Perth WA 6840 Telephone: +61 (0)8 9323 2000
Auditor	Moore Australia Audit (WA) Level 15 Exchange Tower 2 The Esplanade, Perth WA 6000
Solicitors	Ian B Mitchell and Associates Level 9 MLC Centre 19 – 29 Martin Place Sydney NSW 2000
Bankers	National Australia Bank 292 Pitt Street Sydney NSW 2000
Securities Exchange Listing	Ark Mines Ltd shares are listed on the Australian Securities Exchange (ASX code: AHK)
Website Address	www.arkmines.com



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Annual Report

For the Year Ended 30 June 2025

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EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025



"Ark's Sandy Mitchell is a unique Rare Earth and Heavy Mineral deposit made up of sand and heavy minerals. It is cheap and simple to mine and beneficiates in situ. Ark is again drilling and building on the impressive resource. Our technical team are ticking the boxes to position Ark to complete a Pre-Feasibility Study by early 2026. Ark is laser focussed on moving this project to production given the rare earth market."

Highlights

- **Upgraded mineral resource**
- **Reported significant exploration target**
- **Released a maiden base case scoping study**
- **Pegged 406 ha mining lease application covering a component of the Sandy Mitchell rare earth and heavy mineral deposit**
- **Listed on the US OTCQB market**
- **Received \$290k R and D tax rebate**
- **Commenced metallurgical optimisation**
- **Undertook Stage 3 resource expansion in September 2025**
- **Raised \$1.5m via a placement to professional and sophisticated investors**
- **Received \$4.5m investment from Queensland government owned Critical Minerals and Battery Technology Fund - \$500k equity and \$4.0m Royalty sale subject to shareholder approval**

Corporate

The Company raised \$1.5m through the issue of 10,714,285 fully paid ordinary shares at \$0.14 to professional and sophisticated investors per share under the Company's existing ASX listing rule 7.1 capacity (5,544,644 shares) and 7.1A capacity (5,169,641 shares) without shareholder approval. Settlement and allotment occurred on 5 May 2025.

Sandy Mitchell - Rare Earth and Heavy Minerals

Sandy Mitchell Upgraded Mineral Resource^{1,2}

- Measured Mineral Resource Estimate ("MRE") of 71.8 Mt @ 1,732.7 ppm Monazite Equivalent (MzEq) calculated using a 700ppm MzEq lower cut-off grade¹.
Monazite equivalent calculation: $MzEq = 1.000 \times \text{monazite} + 1.000 \times \text{xenotime} + 0.361 \times \text{zircon} + 0.281 \times \text{rutile} + 0.165 \times \text{hi Ti leucoxene} + 0.126 \times \text{lo Ti leucoxene} + 0.072 \times \text{altered ilmenite} + 0.065 \times \text{ilmenite}$. The proportions of valuable elements in recoverable economic heavy minerals are ascertained by QEM scan deportment percentages applied to all elements.
- Reported MzEq and HM grades are expected to support strong project economics through simple low-cost downstream processing, with reference to current market prices for monazite concentrate.
- The resource includes a basket of high value Heavy Minerals (HM), comprised of the following:
 - Monazite 1,229 ppm
 - Xenotime 115.7 ppm
 - Zircon 663 ppm
 - Ti Minerals: Rutile 105 ppm, High Ti Leucoxene 304 ppm, low Ti Leucoxene 193 ppm, Altered Ilmenite 313.8 ppm and Ilmenite 340 ppm
 - Garnet
- High magnetic REO (Nd, Pr, Dy, Tb) element proportion of 25 % of the TREO basket, positioning Sandy Mitchell as one of Australia's most enriched MREO deposits.
- MRE developed from only 4.5 % of the available anomaly area at Sandy Mitchell, with 87.04 km² available based on an Exploration Target estimated for Sandy Mitchell of 1.3 billion tonnes to 1.5 billion tonnes @ 1250 to 1490 ppm monazite equivalent.² Real and substantial potential for Mineral Resource expansion.
The potential quantity and grade of the Exploration Target is conceptual in nature; it is uncertain if further exploration will result in an expansion of the Mineral Resource.

Footnotes

Footnotes included in this Review of Operations refer to information provided at page 13.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Sandy Mitchell Upgraded Mineral Resource(cont.)¹

	Measured Resource	Indicated Resource	Inferred Resource	Monazite Equivalent	THM	Monazite	Xenotime	Zircon	Rutile	High Ti Leucoxene	Low Ti Leucoxene	Altered Ilmenite	Ilmenite
Grade ppm				1,732.7	3,263.0	1,229.0	115.7	663.0	105.3	304.0	192.7	313.8	339.7
Tonnes	71,789,616	-	-	124,386	234,251	88,228	8,302	47,593	7,557	21,820	13,835	22,530	24,385
	Measured Resource			Treo+Y+Sc	TREO	LREO	HREO	MagREO	CREO				
Grade ppm				457.2	403.5	389.6	13.9	99.4	110.9				
Tonnes	71,789,616	-	-	32,821	28,965	27,970	995	7,132	7,960				

Table 1: Reported measured oxide resource for Sandy Mitchell at a 700ppm MzEq lower cut off .

Sandy Mitchell Location

Sandy Mitchell is located on Mt Mulgrave Station 150km north west of Chillagoe in northern Queensland. The project sits between the Palmer River and the Mitchell River. The project is flat and sandy with slight timber and is grazed by cattle.

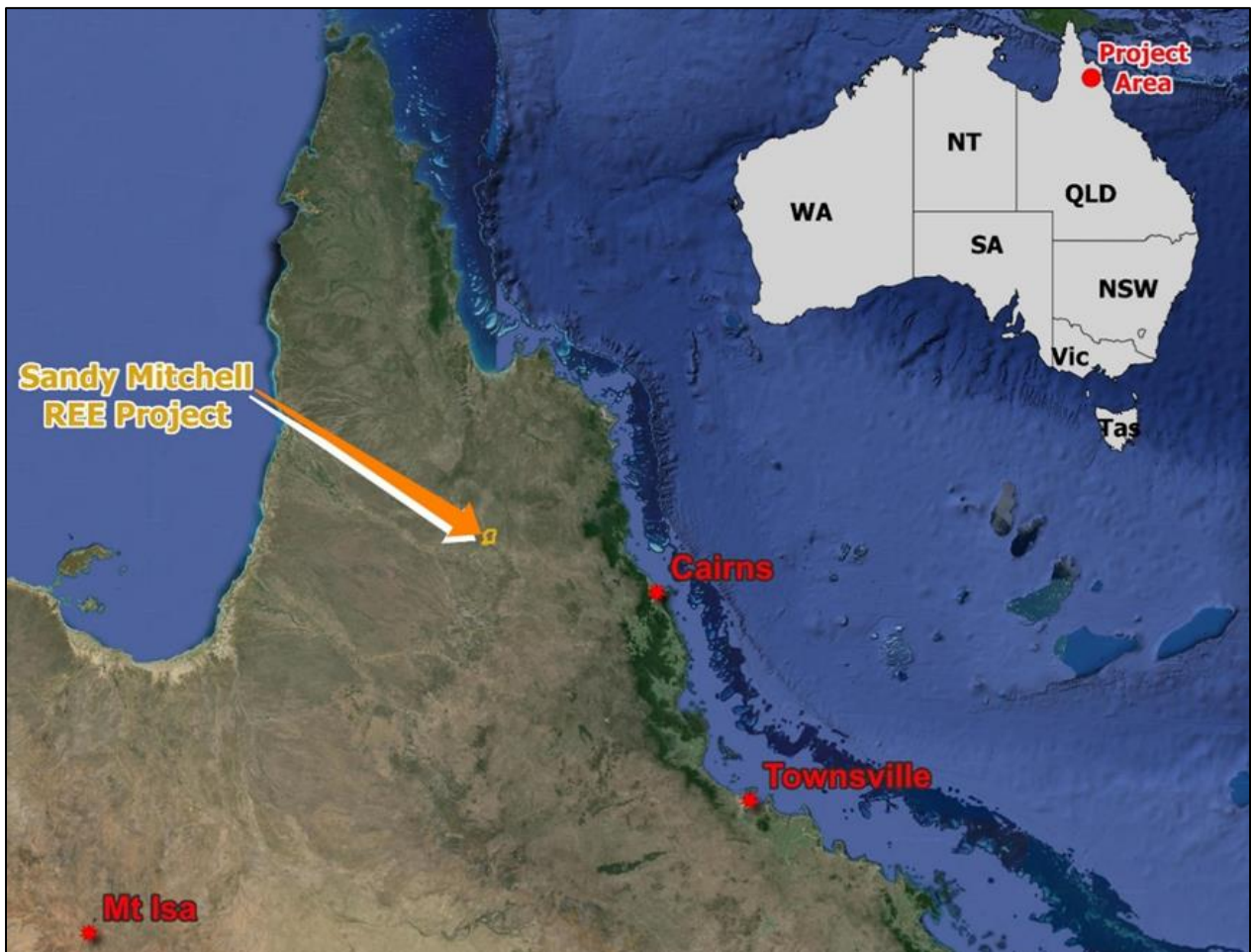


Figure 1: Location of Sandy Mitchell Rare Earth and Mineral Sands project North Queensland.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Sandy Mitchell Location (cont.)



Figure 2: Sandy Mitchell is essentially a relatively flat Sandy area some 110km².

Sandy Mitchell Investment by Queensland Critical Minerals and Battery Technology Fund³

On 25 August 2025³ the Company announced that the Queensland government owned Critical Minerals and Battery Technology Fund ("QCMBTF") would invest \$4.5m in Ark Mines to advance development at Sandy Mitchell. The QCMBTF is managed by the Queensland investment Corporation, a corporation with A\$131.2bn in funds under management (as of 30 June 2025). The QCMBTF's primary objective is to support businesses across the critical minerals supply chain in Queensland.

The QCMBTF's investment in two parts:

- a) \$4m cash in exchange for a 2% Royalty future product sales from Sandy Mitchell; and a
- b) \$500,000 equity investment, subject to shareholder approval.

QCMBTF funding will facilitate the rapid acceleration of project development at Sandy Mitchell.

Sandy Mitchell 2nd Resource Estimate Expansion¹

The Mineral Resource Estimate ("MRE") was carried out by independent consultants HGS Australia in accordance with the 2012 JORC Code using variographically informed ordinary kriging coupled with an ID2 validation model. The MRE is wholly categorised as measured and totals 71.8 Mt at 1,733 ppm² monazite equivalent ("MzEq") using a lower cut-off grade of 700 ppm⁴ (see Table 2). Top-cuts were applied on specific elements to control statistical outliers.

In addition to the high value economic commodities modelled, the MRE included estimates for arsenic and sulphur for environmental considerations. The modelling shows these to be at very low levels; sulphur (dominantly as sulphate in this oxide zone orebody) was estimated to average 143 ppm and as, a common contaminant in monazite, was estimated to average 9 ppm.

The updated MRE leaves Ark Mines well positioned to execute on its stated development strategy for Sandy Mitchell, with low-cost mining of rare earths and heavy minerals combined with low-cost downstream processing through simple gravity separation.

The grades observed in the MRE build off previous drilling results which were used for metallurgical testing by independent processing firm, Mineral Technologies. First-pass water-based beneficiation test work on air core samples returned final concentrate assays of 51.9% TREO (519,000ppm)¹.

The assays contained mostly La, Ce, Pr and Nd, plus heavy rare earths Dy and Tb, which collectively represents a very high value saleable product when incorporated into a basket of minerals as part of a monazite concentrate.

Metallurgical analysis subsequently commissioned by consulting firm Harrier Project Management concluded that based on the beneficiation test work by Mineral Technologies, rare earth mineral concentrate from Sandy Mitchell will almost certainly be suitable for existing sulphuric acid baking refiners; the most widely used and understood process for treating refractory concentrates.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Sandy Mitchell 2nd Resource Estimate Expansion (cont.)¹

MzEq Cut-off	Tonnes	Creo (ppm)	Hreo (ppm)	Lreo (ppm)	Magreo (ppm)	Monazite (ppm)
700ppm	71,789,616	110.9	13.9	389.6	99.4	1,229.0
MzEq Cut-off	Tonnes	Mzeq (ppm)	Treo (ppm)	Treo Y Sc (ppm)	Xenotime (ppm)	Zircon (ppm)
700ppm	71,789,616	1,733.0	403.5	457.2	115.7	663.0
MzEq Cut-off	Tonnes	Alt Ilmenite	Hi Ti Leucoxene	Lo Ti Leucoxene	Rutile (ppm)	Ilmenite (ppm)
700ppm	71,789,616	313.8	304.0	192.7	105.3	339.7
MzEq Cut-off	Tonnes	Sc (ppm)	Tb (ppm)	Dy (ppm)	Ho (ppm)	Er (ppm)
700ppm	71,789,616	14.9	0.9	4.8	0.9	2.5
MzEq Cut-off	Tonnes	Tm (ppm)	Yb (ppm)	Lu (ppm)	Th (ppm)	U (ppm)
700ppm	71,789,616	0.4	2.4	0.3	31.5	1.8
MzEq Cut-off	Tonnes	Zr (ppm)	Y (ppm)	Hf (ppm)	Nb (ppm)	As (ppm)
700ppm	71,789,616	323.2	24.4	8.9	14.7	9.4
MzEq Cut-off	Tonnes	Ti (ppm)	S (ppm)	Ca (ppm)	La (ppm)	Ce (ppm)
700ppm	71,789,616	3,800.4	143.3	19,619.6	75.1	154.7
MzEq Cut-off	Tonnes	Pr (ppm)	Nd (ppm)	Sm (ppm)	Eu (ppm)	Gd (ppm)
700ppm	71,789,616	17.4	62.0	10.9	1.3	7.2

Table 2: Reported measured oxide resource for Sandy Mitchell at a 700ppm MzEq lower cut off.

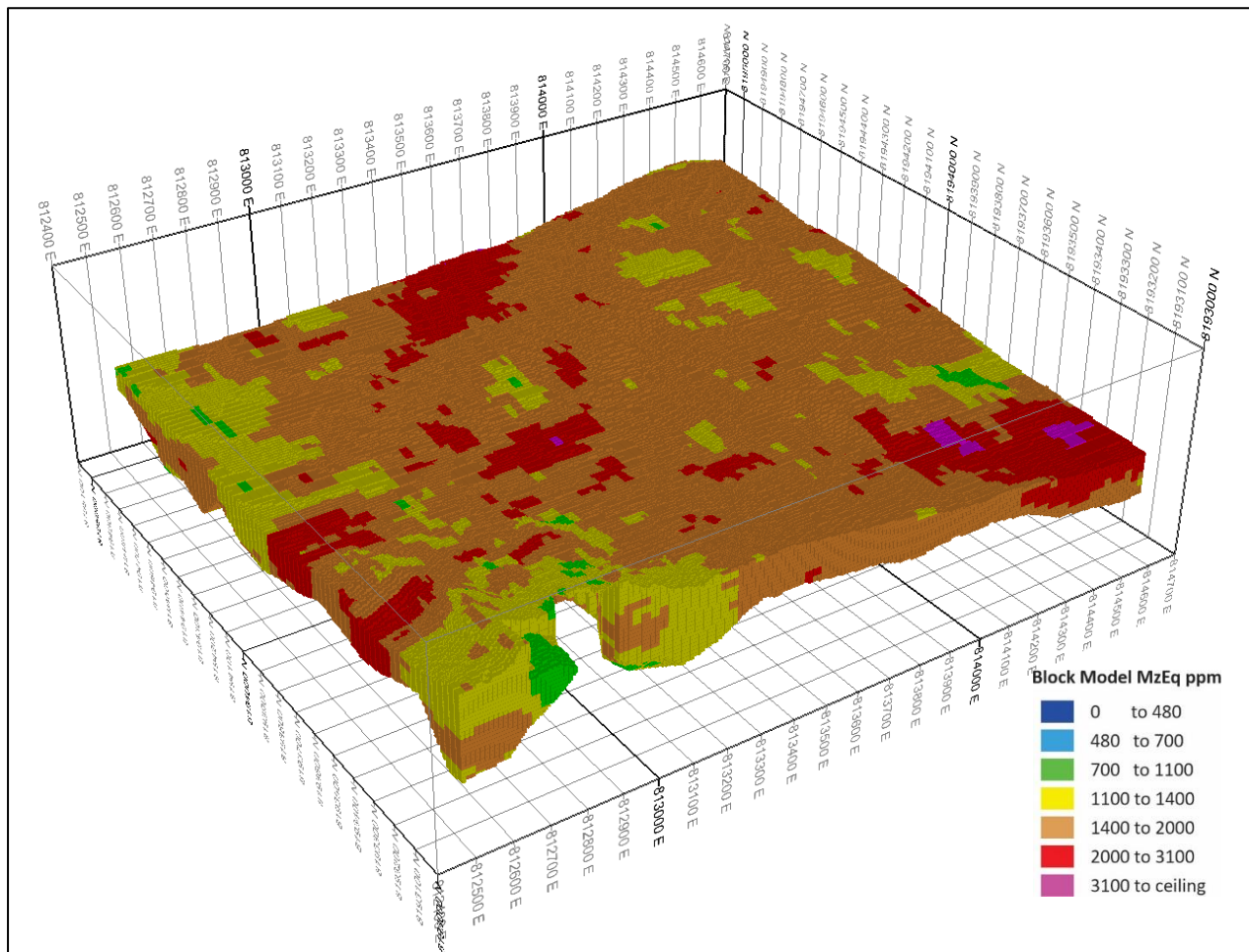


Figure 3: Sandy Mitchell updated block model 10 x vertically exaggerated isometric view looking northeast and coloured on monazite equivalent. The block model perimeter is 4.06 km. The model volume is 47,172,646 m. The model tonnage is 71,789,616 dry metric tonnes at a mean loose dry bulk density of 1.52. The entire model is classified as Measured.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Sandy Mitchell 2nd Resource Estimate Expansion (cont.)¹

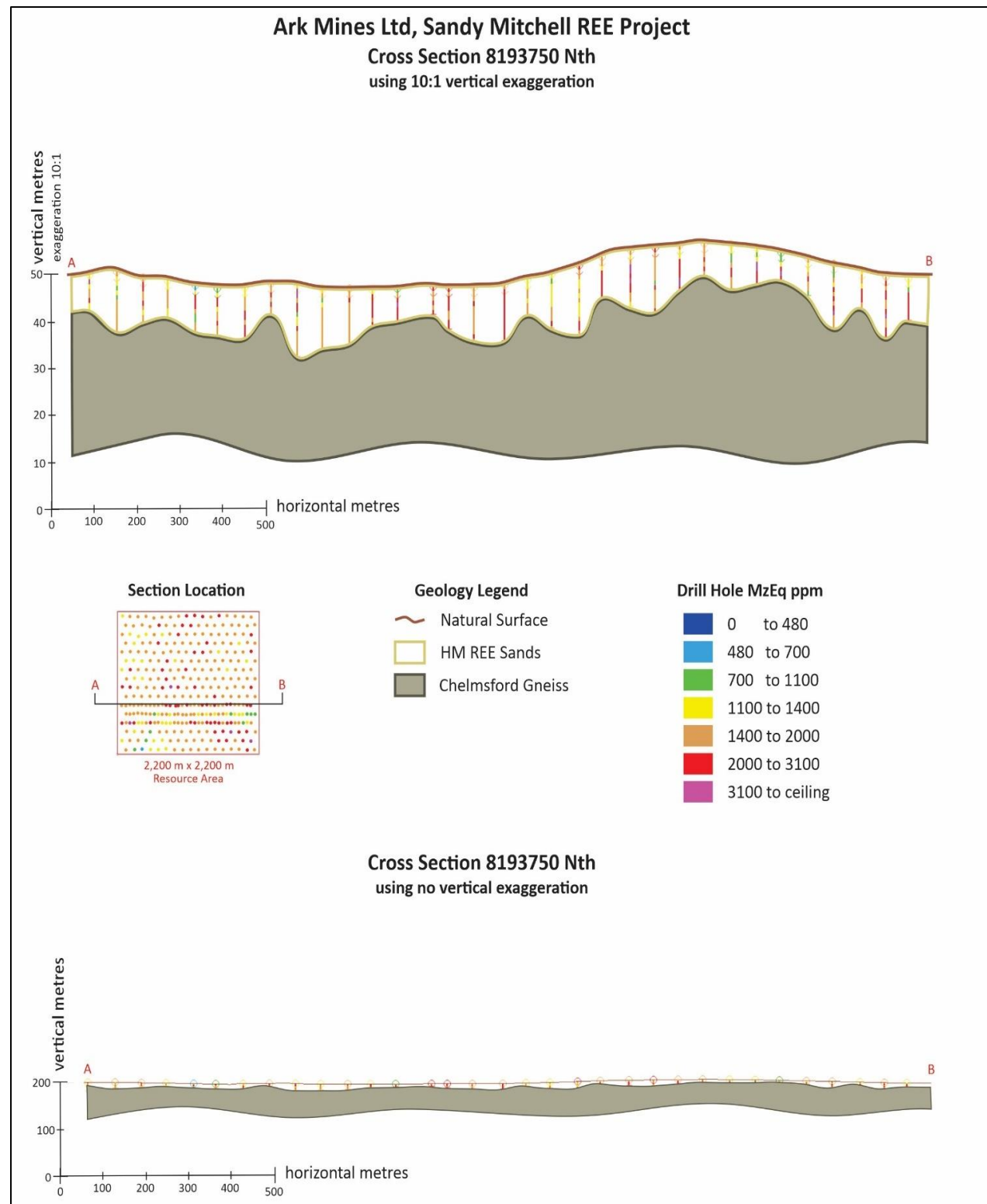


Figure 4: Sandy Mitchell Project west to east cross section at 8193750 m north through the REE & HM sand, showing drill data from the Stage 1 resource AC drill grid coloured for monazite equivalent.

The upper section has a vertical exaggeration of 10 x to afford visibility of the drill data at the scale of the drill section. The lower section is the same section without vertical exaggeration, i.e. at true scale, illustrating why exaggeration is required to visualise the data. Note, the vertical exaggeration has the effect of magnifying topological variation as well as making the drill data visible. The lower section provides a realistic idea of the topography and basement variability of this relatively low relief terrain.

Sandy Mitchell 2nd Resource Estimate Expansion (cont.)¹

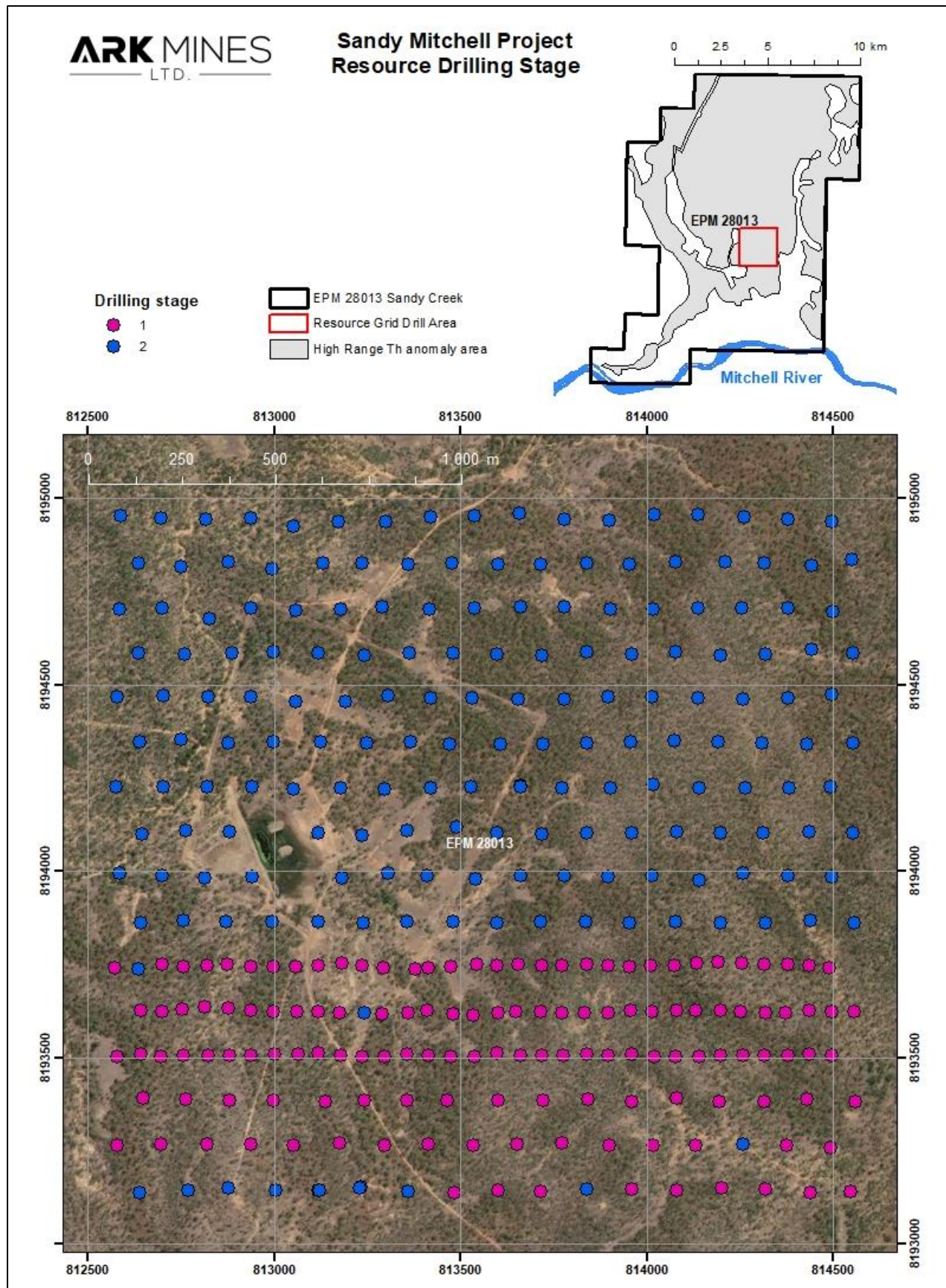


Figure 5: Sandy Mitchell resource area showing stage 1 (pink) and stage 2 (blue) drill collars against a 500m grid.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Sandy Mitchell 2nd Resource Estimate Expansion (cont.)¹

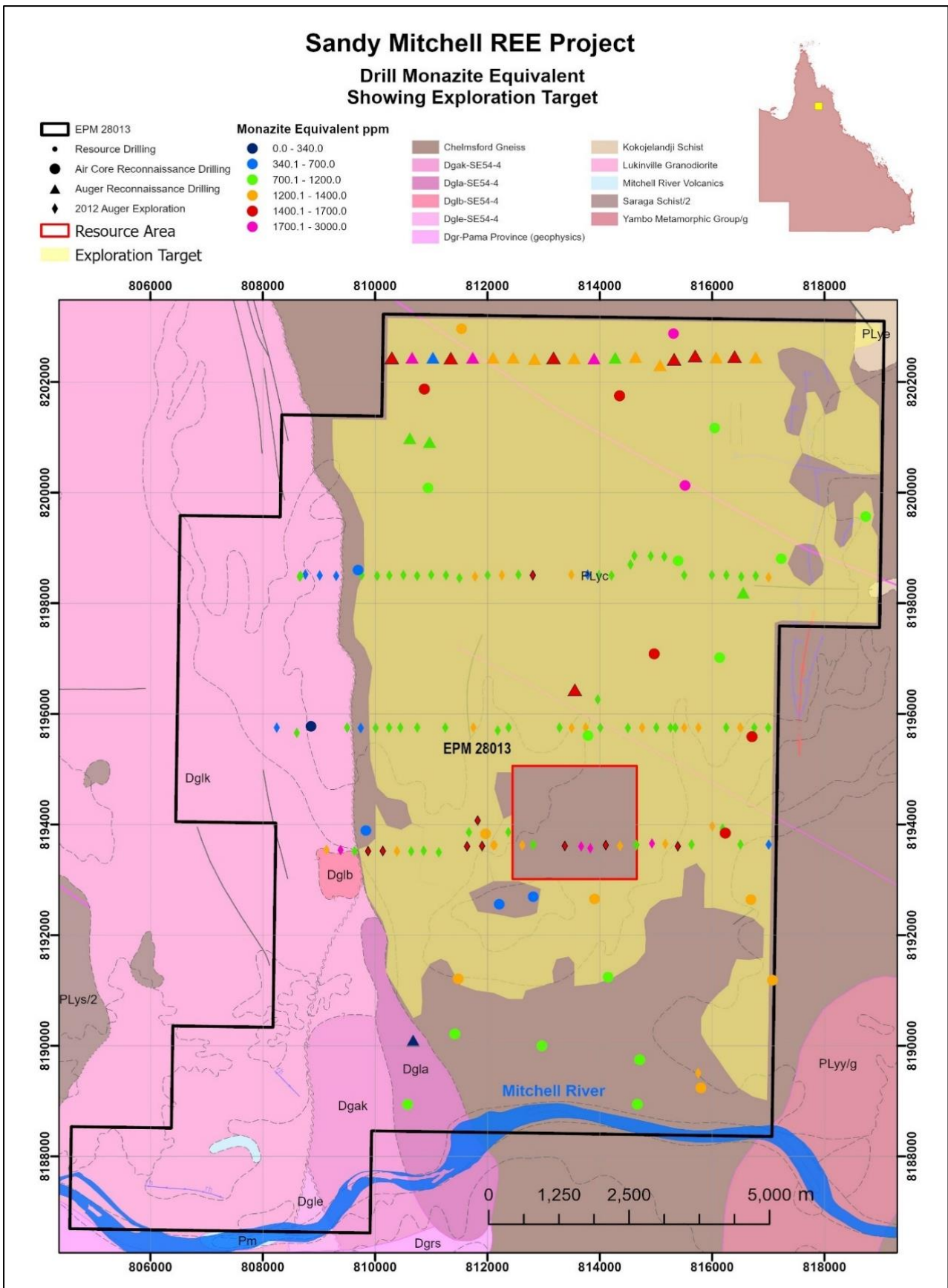


Figure 6: Sandy Mitchell JORC 2012 Exploration Target (yellow) showing MRE area (red).

Gunnawarra

Gunnawarra Location

The Gunnawarra project is located approximately 40 km south from Mount Garnet in far-north Queensland and boasts outstanding access to existing infrastructure including grid power, water and access to port facilities. The project surrounds the Bell Creek resource, a component of the Sconi cobalt project owned by Australian Mines Limited (ASX: AUZ).

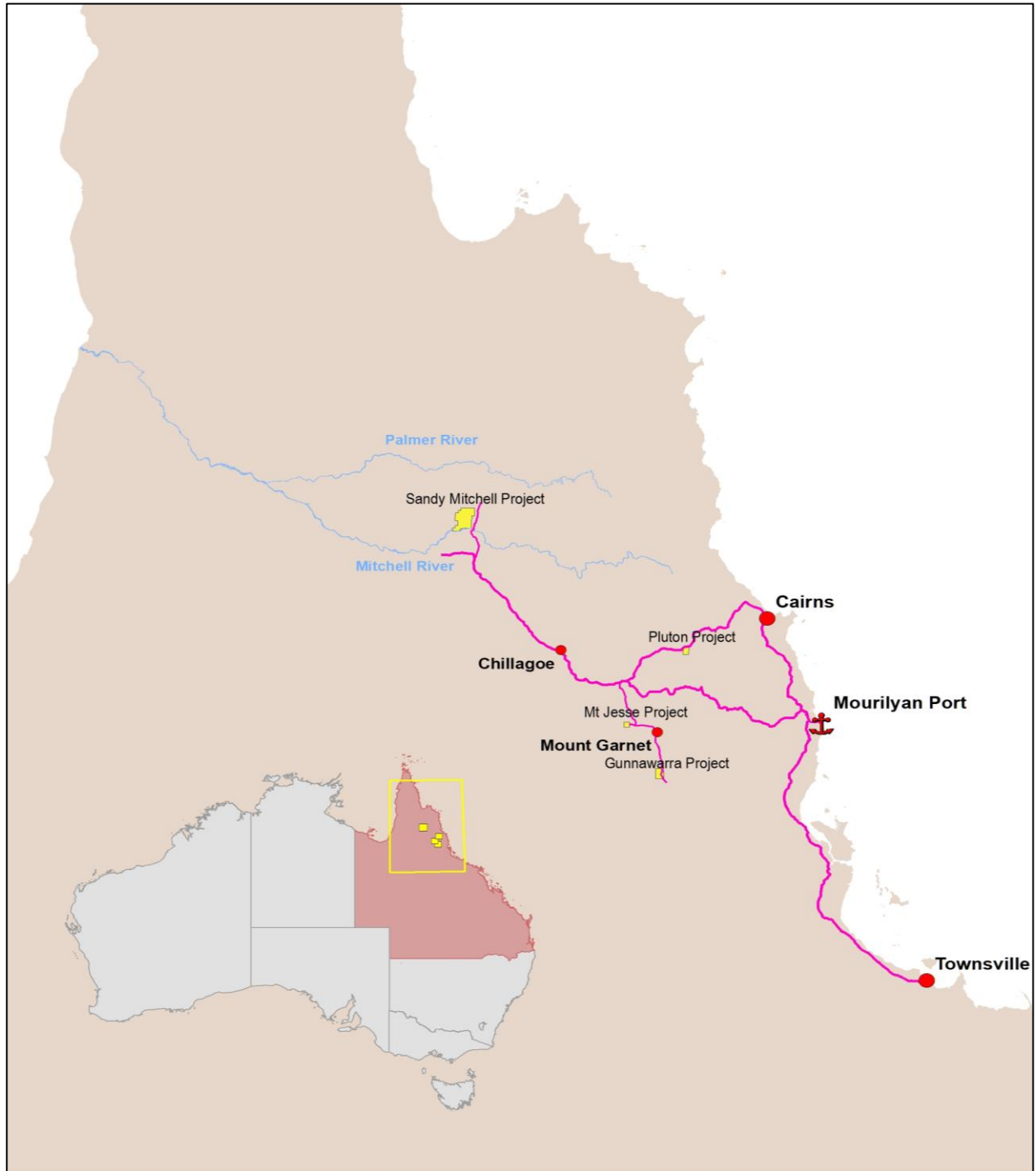


Figure7: Locations of the four Ark tenements in North Queensland.

EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Gunnawarra Ni Co RC Drilling⁵

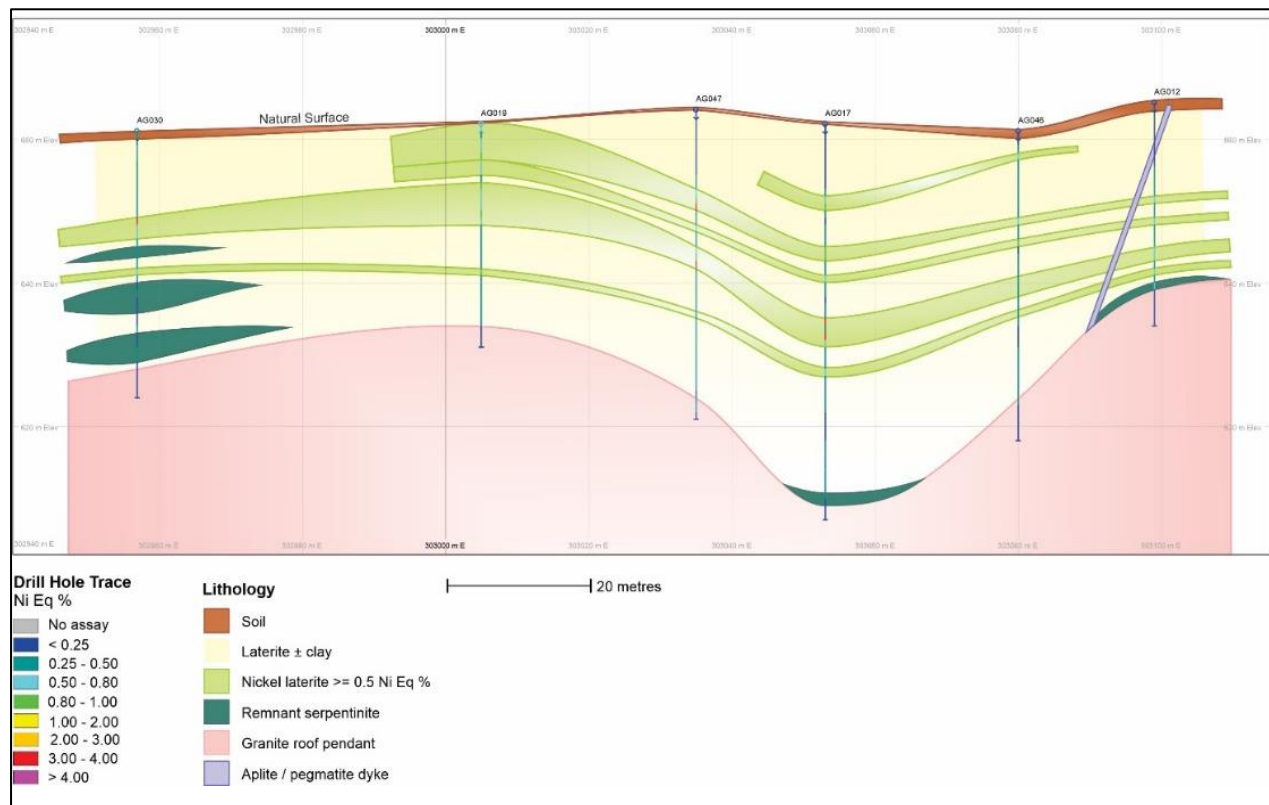
- Maiden JORC (2012) Edition compliant inferred mineral resource estimate has been completed for the Gunnawarra Nickel-Cobalt Project⁵.
- The mineral resource estimate totalling 1.341 million tonnes at .53% Ni, 602,000 tonnes Cobalt at .066% and 191,500 tonnes of Copper at .054% at a .4% Ni cut off was completed by Hawker geological consultants.

Ark completed a 2,000m drill program in April 2022. Ark determined that there is extension at depth of the mineralisation >60M and extensions to the SW of the known ore body. Significant intersections of 'the Pod' include:

- 28m at .73% Ni Eq from surface including 5m at 1.8% Ni Eq from 5m, including 2m of Co at .1% from 4m.
- 42m at .76% Ni Eq from 2m including 19m at 1% Ni Eq from 6m.
- 22m at 1% Ni Eq from 4m including 9m at 1.4% Ni Eq from 8m.
- 28m at .7% Ni Eq from surface including 6m at 1.4% Ni Eq from 3m.
- 11m at .84% Ni Eq from 2m including 2m at 1.2% Ni Eq from 5m.
- 14m at 1.12% Ni Eq from 3m including 4m at 1.7% Ni Eq from 8m.

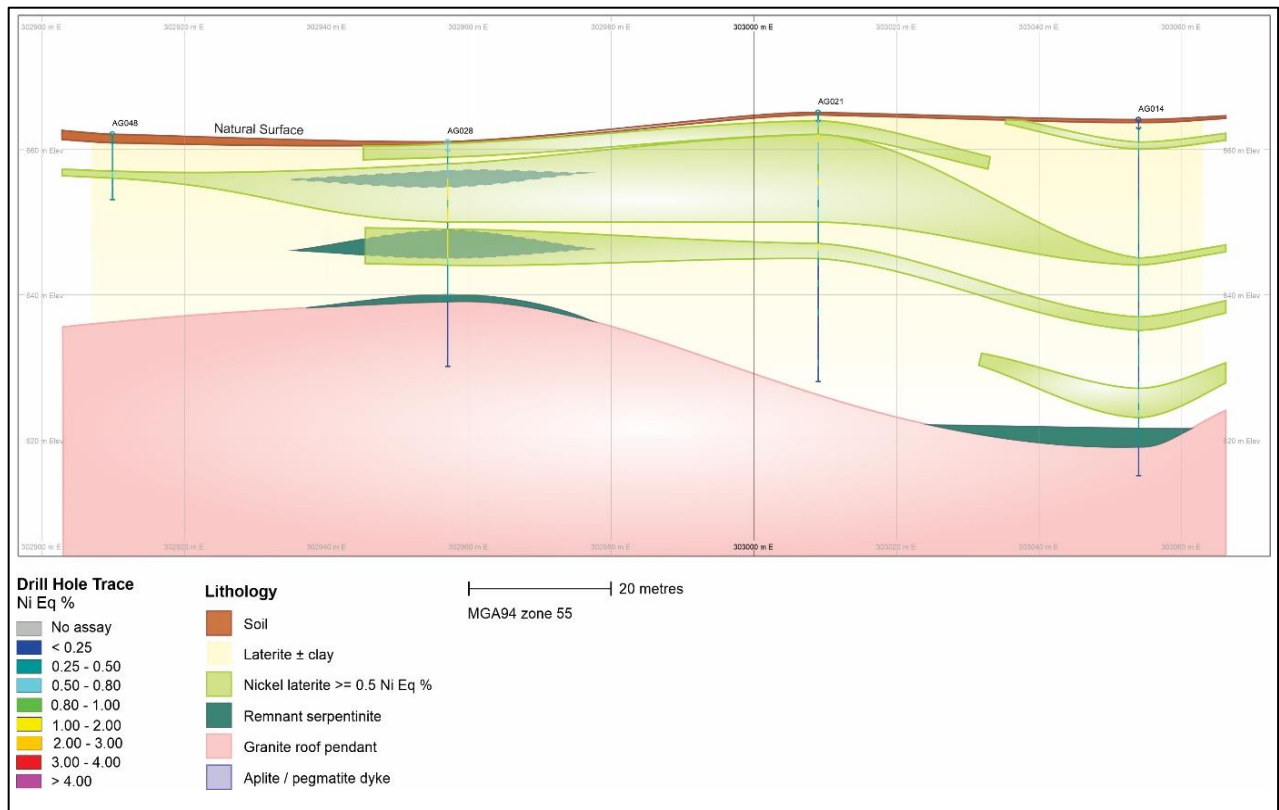
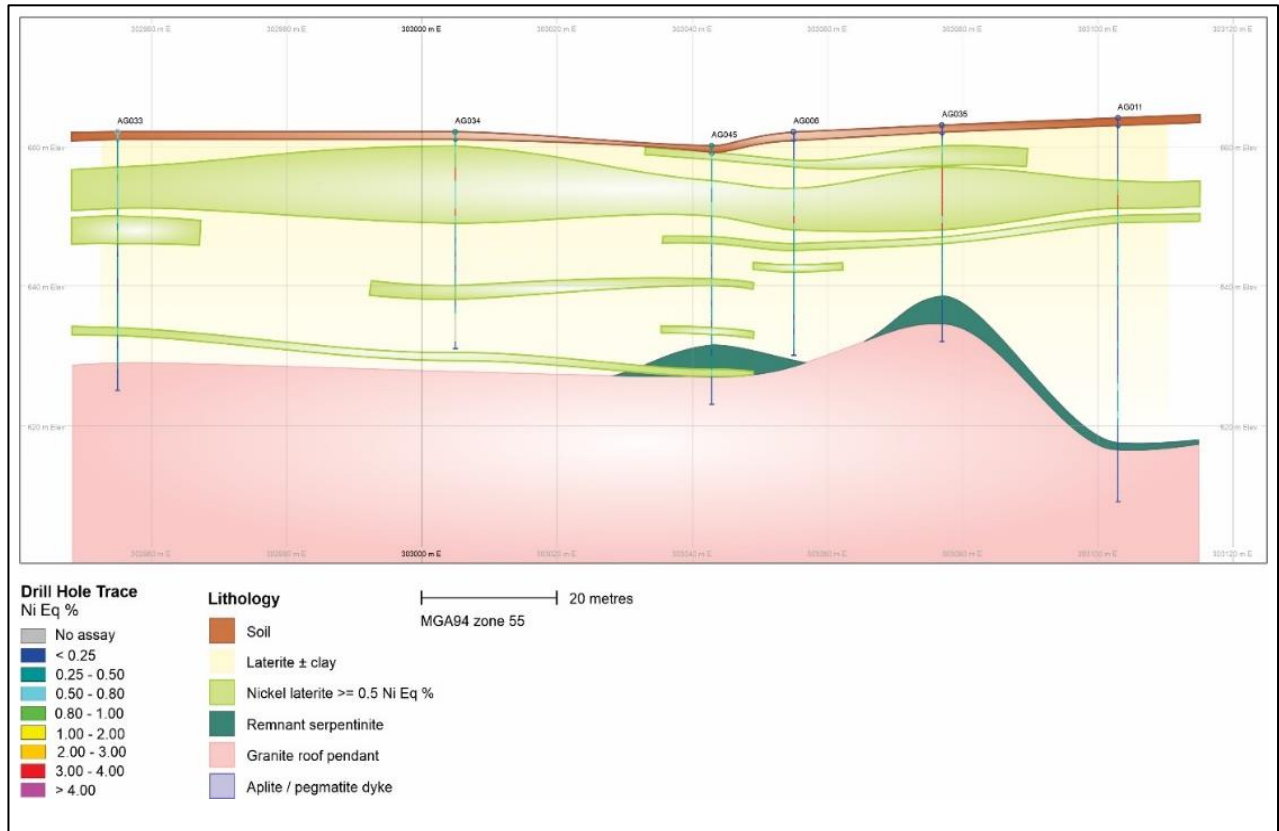
Gunnawarra has significant potential as a battery mineral exploration and development project in a proven Tier 1 jurisdiction for similar projects. As shown in the cross sections below the Ni Co mineralisation hold together well and would provide for a low strip ratio and simple mining efforts.

Gunnawarra Nickel Laterite Cross Section 8012050mN



Gunnawarra Ni Co RC Drilling (cont.)⁵

Gunnawarra Nickel Laterite Cross Section 8012050 mN (cont.)



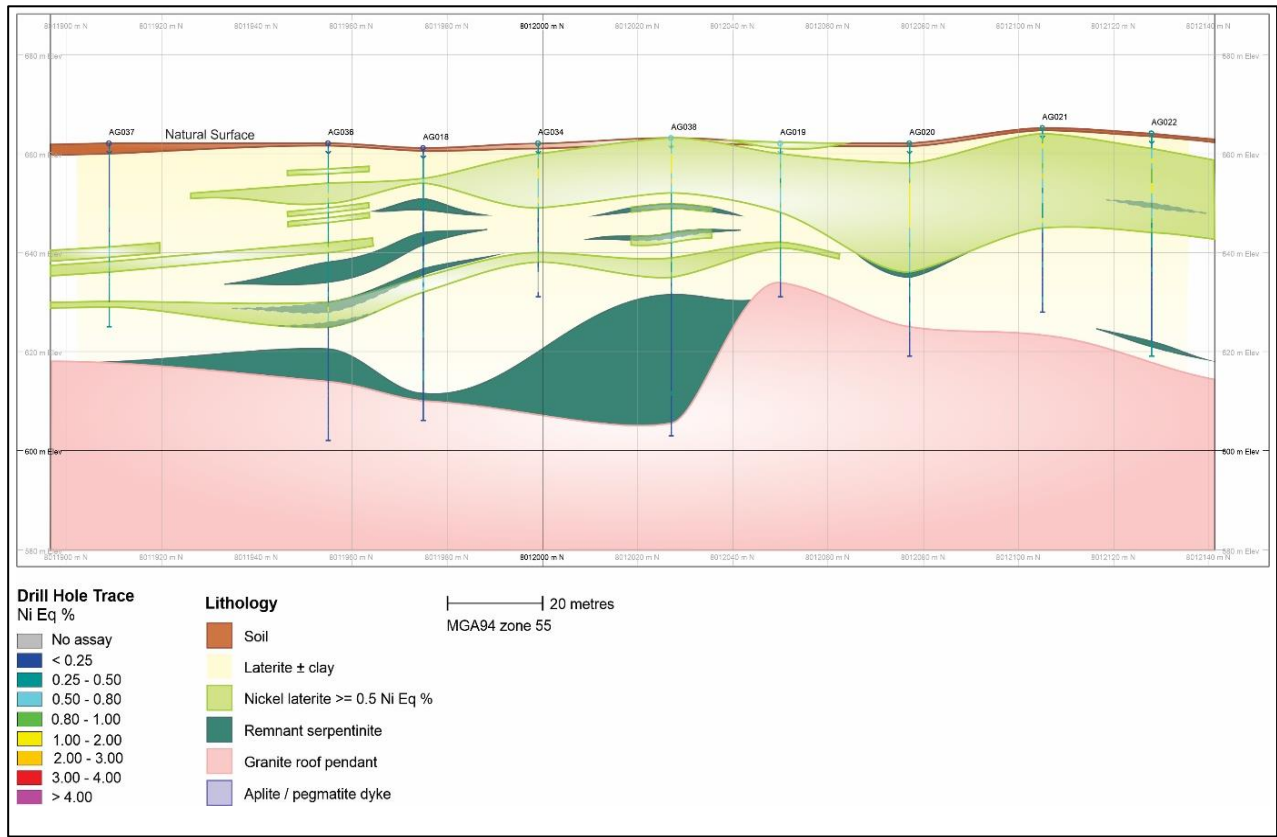
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EXECUTIVE CHAIRMAN'S REVIEW OF OPERATIONS

For the year ended 30 June 2025

Gunnawarra Ni Co RC Drilling (cont.)⁵

Gunnawarra Nickel Laterite Cross Section 303000 mE



Mt Jesse and Mt Pluton

No work was undertaken on Mt Jesse and only minor work was carried out at Mt Pluton. Work is planned for these projects later in next year's season.

Safety and Environment

Reportable Incidents	Nil	Environmental incidents	Nil
Medical Treatments	Nil	Landholder Issues	Nil
Lost Time Injuries	Nil		

Tenement Details

A schedule of tenements is shown on page 44 of this Annual Report. Mineral resource statements are shown on pages 45-46 of this Annual Report.

Roger A Jackson
Executive Chairman
Sydney, 26 September 2025

Statements and ASX References

ASX Announcement References

Information in the Executive Chairman's Review of Operations has been drawn from previous ASX announcements. Where referencing to previous ASX announcements is required by ASX listing rules, an end note reference is included in the relevant heading. These references refer to the announcements listed below.

1. ASX announcement 2 October 2024 – Sandy Mitchell Measured Resource of 71.8Mt @1,732.7 ppm MzEq
2. ASX Announcement 17 July 2024 – Exploration Target Defined at Sandy Mitchell Project
3. ASX Announcement 8 August 2025 - \$4.5m Investment by QCMBTF to Advance Development at Sandy Mitchell
4. ASX Announcement 24 November 2023 – Beneficiation Test Work Produces High Grade REE Concentrate
5. ASX Announcement 23 December 2022 – Revised Gunnawarra Maiden JORC Resource

The Company confirms that it is not aware of any new information or data that materially affects the information included in this Executive Chairman's Review of Operations and referenced in previous ASX announcements and that all material assumptions and technical parameters underpinning the estimates in this Review continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented have not been materially modified from the original market announcements.

Competent Persons Statement

The information included in the Executive Chairman's Review of Operations and Directors' Report is based on and fairly represents information compiled by Mr Roger Jackson, a Director and shareholder of the Company, who is a 25+ year Fellow of the Australasian Institute of Mining and Metallurgy ("FAuslMM") and a Member of the Australian Institute of Company Directors. Mr Jackson has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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. Jackson has approved this Executive Chairman's Review of Operations and included mineral resources statements as a whole and consents to the inclusion of the data contained in relevant resource reports used for this Review of Operations and Directors' Report as well as their form and context.

Monazite Equivalent Calculation

$MzEq = 1.000 \times \text{monazite} + 1.000 \times \text{xenotime} + 0.361 \times \text{zircon} + 0.281 \times \text{rutile} + 0.165 \times \text{hi Ti leucoxene} + 0.126 \times \text{lo Ti leucoxene} + 0.072 \times \text{altered ilmenite} + 0.065 \times \text{ilmenite}$. The proportions of valuable elements in recoverable economic heavy minerals are ascertained by QEM scan deportment percentages applied to all elements. (See AHK ASX announcement 2 October 2024 - detailed in Appendix B Table 1 Section 2)

The Company has a reasonable belief that all metals included in a calculated equivalent grade have a reasonable chance of being recovered and sold, a necessary requirement under Clause 50 of the JORC Code.

Forward Looking Statements

This Executive Chairman's Review of Operations 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 Review of Operations. 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 Review of Operations 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 Review of Operations.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

DIRECTORS' REPORT

For the year ended 30 June 2025

Your Directors present their report together with the financial statements of Ark Mines Ltd (the "Company" or "Ark") and its wholly owned subsidiaries (together, the "Group") for the financial year ended 30 June 2025.

Review of Operations

During the financial year, the Company focused on the ongoing development of its 147km² EPM 28013 Sandy Mitchell ("Sandy Mitchell" or the "Project") advanced Rare Earths Project in North Queensland.

Following its maiden resource estimate ("MRE"), the Company undertook an extensive reconnaissance drilling program to assess an Exploration Target range for Sandy Mitchell of 1.3 billion tonnes to 1.5 billion tonnes @ 1,250 to 1,490 ppm monazite equivalent ¹ ("MzEq"). The Exploration Target, was prepared independently by Empirical Earth Science and announced on 17 July 2024 ². A full copy of this Exploration Target report is available on the Company's web-site.

Water monitoring bores were also drilled and constructed as part of the environmental base line study.

Ecologists were engaged to undertake further studies as part of the environmental work required for permitting Sandy Mitchell. The Company took the view that the permitting of Sandy Mitchell should be undertaken parallel with resourcing to expedite the project.

First pass un-optimised beneficiation test work on Sandy Mitchell rare earth sands produced a high-grade rare earth concentrate. The beneficiation test work showed that the greatest upgrade was by simple gravity separation, confirming the material is amenable to straightforward beneficiation by gravity processing.

The Company signed a Memorandum of Understanding ("MOU") with Currumbin Minerals, which sets out a framework for the supply and delivery of heavy mineral sands from Sandy Mitchell for processing at Currumbin Mineral's licenced treatment plant. Under the MOU, the parties will undertake to negotiate a price for Currumbin Minerals to treat heavy mineral sands ore and produce heavy minerals and rare earths critical minerals concentrate, to be sold by Ark Mines at commercial market rates.

On 8 October 2024 the Company announced that an application for a Mining Licence over the Sandy Mitchell Project had been lodged.

Building off the updated MRE estimate, on 6 November 2024 ², the Company announced an updated Exploration Target estimated for Sandy Mitchell of between 1.3 billion tonnes and 1.5 billion tonnes at 1,286 to 1,903 ppm MzEq¹. This represents an increase in the MzEq grade from the July 2024 estimate and highlights the potential scale of Sandy Mitchell as one of the world's largest surface expressed terrestrial sand based rare earth deposits.

Having carried out an extensive review of all project works carried out to date, the Company continued to progress towards the completion of key project development studies.

On 11 December 2024 ² the Company announced the results of the Sandy Mitchell Rare Scoping Study. The study was prepared by Harrier Project Management, Australia. The report sets out compelling project economics and the Board has unanimously resolved to advance the project to the next phase of development, starting with the commencement of a Pre-Feasibility Study ("PFS").

Works programs were also commenced to advance development of the PFS, in conjunction with independent expert consultants, to ensure the highest levels of accuracy and quality control.

On 20 December 2024 the Company entered into an unsecured convertible loan agreement for \$350,000 with Mr Ian Mitchell who is a Director of the Company. The loan was conducted on an arms-length basis at an interest rate of 10%, terminating on 1 October 2026. Further details of this loan are shown at Note 11 to the financial statements.

On 29 January 2025 the Company announced that it had been approved to facilitate trade of its ordinary shares through the OTCQB Venture Market in the United States and commenced trading on this day under the ticker AHKMF. Listing on the OTCQB provides the allows US investors to trade on ASX and provides the Company with access to new sources of potential capital and increased liquidity.

On 17 February 2025 the Company entered into a further unsecured convertible loan with Mr Ian Mitchell for \$200,000 on the same terms and conditions as the previous \$350,000 convertible loan referred to above. The terms and conditions for the previous loan are shown at Note 11.

As announced to ASX on 27 February 2025 the Company received the sum of \$290,092 from the ATO as an R&D rebate for its 2023 tax year.

On 1 May 2025 the Company announced a placement of 10,714,285 shares at an issue price of \$0.14 per share to two sophisticated investors to raise \$1,500,000. The placement was made on 6 May 2025 without shareholder approval under the Company's Listing Rule 7.1 and 7.1A capacity. The placement was made to further resource definition drilling at Sandy Mitchell.

On 7 May 2025 ² the Company announced that it had undertaken a preliminary rock chip survey at its Mt Pluton prospect on EPM 26883 aiming to validate the 2005 results of then tenement holder Ralph de Lacy, reported by Malachite Resource (McKay 2006). Rock chips showed excellent gold and silver grades and validate historic works:

- Maximum of 25 g/t Au, mean 3.4 g/t Au
- Maximum of 34 g/t Ag, mean 7.1 g/t Ag

Review of Operations (cont.)

Previous drilling by Malachite Resources concluded that mineralisation was wholly related to the brecciation of the Hodgkinson sandstone, however, Ark's results which continue outside the breccia, suggest that there may also be structural controls on mineralisation that expand the target, and that there is potential for multigenerational overlap of different mineralisation styles that may yield to further investigation.

On 17 June 2025² the Company announced that it had commenced a detailed metallurgical testing program to improve both the beneficiation process and mineral separation process for rare earths and heavy minerals at Sandy Mitchell using a 2,225 kg bulk sample from the 2024 drill program. Results from the IHC Mining metallurgical analysis will be incorporated into works program for the PFS which is underway and currently scheduled for completion on early CY26. The test work is expected to deliver additional refinements to existing product data and build on the expert metallurgical review commissioned by Harrier Project Management in May 2024. (Refer ASX Announcement of 16 May 2024²)

On 1 July 2024² the Company announced a planned 2,500m drill program at Sandy Mitchell comprising 194 vertical holes, marking the third stage of a comprehensive resource definition drill program to build on the previous two stages of resource drilling. The program was designed to significantly increase the Mineral Resource at Sandy Mitchell from the current (Refer ASX Announcement 2 October 2024²) MRE of 71.8 Mt @ 1,732.7ppm MzEq, calculated using a 700ppm MzEq lower cut-off grade. The programme is designed to target an eventual resource increase of approximately 260Mt, based on thickness of the existing resource and mineralisation in the reconnaissance drilling used to inform the 1,316Mt to 1,580Mt (Refer ASX Announcement 6 November 2024²) JORC Exploration Target. The anticipated expansion of the Measured Resource will be incorporated into the PFS.

On 25 August 2025 the Company announced that the Queensland government owned Critical Minerals and Battery Technology Fund ("QCMBTF") would invest \$4.5m in Ark Mines to advance development at Sandy Mitchell. The QCMBTF is managed by the Queensland investment Corporation, a corporation with A\$131.2bn in funds under management (as of 30 June 2025). The QCMBTF's primary objective is to support businesses across the critical minerals supply chain in Queensland.

The QCMBTF's investment in two parts:

- \$4m cash in exchange for a 2% Royalty future product sales from Sandy Mitchell; and a
- \$500,000 equity investment, subject to shareholder approval.

QCMBTF funding will facilitate the rapid acceleration of project development at Sandy Mitchell.

Stage-3 infill drilling is now underway with results to be incorporated into upcoming PFS.

Ark Mines is targeting production in late CY27.

No work was undertaken during the year on Gunnawarra or Mt Jesse.

The loss after income tax for the full year ended 30 June 2025 was: \$1,185,103 (2024: \$1,203,997).

Notes and ASX References

1. Refer to page 13 for Monazite equivalent calculation.

2. Underlined dates refer to Company ASX releases made on that day. The Company confirms that it is not aware of any new information or data that materially affects the information included in this Directors' Report and referenced to previous ASX announcements and that all material assumptions and technical parameters underpinning the estimates in this Directors' Report continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings were presented have not been materially modified from the original market announcements.

3. Refer to page 13 for Competent Persons Statement and Forward Looking Statements Notice.

DIRECTORS' REPORT

For the year ended 30 June 2025

Principal Activity

The principal activity of the Company for the financial year was the exploration and evaluation of mineral exploration tenements.

Directors

The names of the Directors, who held office from 1 July 2024 to date of this report, unless otherwise stated, are:



Roger A Jackson – Executive Chairman

BSc (Geol), Dip Ed, Grad Dip Fin Man, FAIMM, AICD, FAIG, FGS

Mr Jackson has been actively involved in the Mining industry for 29 years as a Mine Operator, in Mine Services and in Mineral Exploration. He has been a founding director of a number of private and public mining and mine service companies.

Mr Jackson has maintained a Geological and Mining Consulting business for the past 15 years whilst holding several executive roles. He has a strong knowledge of gold exploration and mining and a sound knowledge of base metal mining and exploration. Mr Jackson has developed several mining and ore processing operations in Australia and abroad and has had significant experience in marketing gold and base metal concentrate across the globe.

- Appointed: 21 October 2010
- Committee memberships: Audit & Risk
- Other listed Board memberships: QX Resources Ltd. Vertex Minerals Ltd.
- Previous listed Board memberships: Nil for the last three years



Benjamin P Emery – Executive Director

Mr Emery has been involved in the mining sector for over a decade locating, developing and monetising varied and diversified mining projects and has successfully developed several green-field exploration projects into financially successful producing mines. He is well connected in the mining industry both locally and overseas.

Mr Emery is currently CEO for a private iron ore producer and 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. Ben holds majority interests in a number and range of exploration and mining assets at various stages of development.

- Appointed: 22 December 2021
- Committee memberships: Nil
- Other listed Board memberships: Nil
- Previous listed Board membership: Nil for the last three years



Ian B Mitchell – Non-Executive Independent Director & Company Secretary

BA, Dip Law

Mr Mitchell is a practising solicitor of over 47 years standing. He is the Company Secretary of a number of ASX listed and non-listed public companies. He has over 36 years' experience as a Director and Secretary of listed mining, exploration and industrial companies. His legal expertise is in commercial law, contract law and ASIC and ASX compliance. Mr Mitchell was appointed Company Secretary on 16 November 2011.

- Appointed: 29 December 2010
- Committee memberships: Audit & Risk (Chairman)
- Other listed Board memberships: Nil
- Previous listed Board memberships: Nil for the last three years

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Ian K White – Company Secretary

BBus, MBA, Grad. Dip. CSP, FCPA

Mr White was appointed as an additional Company Secretary on 9 August 2023 and the Company's Chief Financial Officer on 28 April 2023. He is an experienced business professional who holds a Bachelor of Business, a Graduate Diploma in Company Secretarial Practise and an MBA specialising in marketing. His experience has been gained over 48 years including periods as Director, CFO and Company Secretary for a number of large ASX listed companies. Over the last 20 years, Mr White has focused on the resources and technology sectors.

Mr White is non-executive Chairman of Eastern Metals Ltd (ASX:EMS).

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of the Company and its Chief Financial Officer.

Directors' Interests

The Directors' relevant interests in shares and options as at 30 June 2025 are shown in the following tables. There are no options currently issued to any Directors.

Director	Holding type	Shares			
		30-Jun-24	Acquired	Disposed	30-Jun-25
Roger A Jackson	Direct	35,313	-	-	35,313
	Indirect	1,042,516	-	-	1,042,516
	Total	1,077,829	-	-	1,077,829
Benjamin P Emery	Direct	-	-	-	-
	Indirect	8,250,000	-	-	8,250,000
	Total	8,250,000	-	-	8,250,000
Ian B Mitchell	Direct	904,931	100,000	-	1,004,931
	Indirect	126,500	-	-	126,500
	Total	1,031,431	100,000	-	1,131,431

Remuneration Policy

The Board's remuneration policy determines the nature and amount of remuneration for Board members and senior executives of the Group. The policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed and approved by the Board. All executives receive remuneration based on factors such as length of service and experience. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the Group's strategic objectives. The Board's policy is to remunerate executives and Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities.

The Group currently has no employees. When the Group reaches an appropriate size, it will endeavour to employ suitably qualified women to fill at least one third of its employment positions.

The Board determines payments to executives and Directors and reviews their remuneration annually, based on market practice, duties and accountability. Directors' remuneration is currently being paid in accordance with amounts determined by the Board on 18 October 2024. These amounts are \$45,000 per annum for Directors' fees (2024: \$36,000) and \$1,850 per day for consulting fees (2024: \$1,650). There were no bonuses paid or proposed to be paid for the year ended 30 June 2025 (2024: Nil).

Below is a table summarising key performance and shareholder wealth indicators for the Company For the year ended 30 June 2025 and the previous 4 financial years.

Period	Profit (Loss) after Tax	EPS (cents per share)	Share Price
Year ending 30 June 2025	(\$1,185,103)	(2.08)	\$0.165
Year ending 30 June 2024	(\$1,203,997)	(2.20)	\$0.150
Year ending 30 June 2023	(\$994,036)	(2.23)	\$0.310
Year ending 30 June 2022	(\$2,439,496)	(9.83)	\$0.175
Year ending 30 June 2021	\$6,891,159	263.42	¹ NA

¹. During this period the Company was suspended from the ASX.

DIRECTORS' REPORT

For the year ended 30 June 2025

Directors and Key Management Remuneration

Details of the remuneration of the Directors and other Key Management Personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Company) are set out in the following table:

	Short - term		Superannuation	Total
	Base fee	Consulting		
2025	\$	\$	\$	\$
Executive Directors				
Roger A Jackson	45,000	170,981	-	215,981
Benjamin P Emery	45,000	276,300	-	321,300
Non-Executive Directors				
Ian B Mitchell	45,000	-	-	45,000
Total directors	135,000	447,281	-	582,281
Key Management Personnel				
Ian K White	-	75,653	-	75,653
Total Remuneration	135,000	522,934	-	657,934
2024				
Executive Directors				
Roger A Jackson	36,000	218,419	-	254,419
Benjamin P Emery	36,000	231,000	-	267,000
Non-Executive Directors				
Ian B Mitchell	36,000	-	-	36,000
Total directors	108,000	449,419	-	557,419
Key Management Personnel				
Ian K White	-	68,700	-	68,700
Total Remuneration	108,000	518,119	-	626,119

Contracts of Senior Executives

Both Mr Jackson and Mr Emery are engaged as Executive Directors under an Executive Service Agreement ("Agreement"), executed with their respective consulting companies. Under the Agreement, each is paid a Director's fee of \$45,000 per annum. No superannuation is payable under these Agreements. In addition, under the Agreements, each of Mr Jackson and Mr Emery must provide a minimum of 8 days per month executive service which was payable at \$1,650 per day up to October from whence the rate has been increased to \$1,850 per day in line with market rates.

The Agreements with Mr Jackson and Mr Emery have no fixed term and the Company may terminate the Agreements on giving three months' notice, or payment in lieu. No benefits are payable on termination.

Mr White is engaged under a Consulting Agreement executed with Mr White's consulting company. Pursuant to this Consulting Agreement, Mr White is paid \$1,500 per day plus GST. No superannuation is payable under this Consulting Agreement.

Mr White's Consulting Agreement has no fixed term and the Company may terminate the Consulting Agreement on giving three months' notice, or payment in lieu. No benefits are payable on termination.

No options were issued to Directors or Key Management Personnel during the financial year. There is no change in the number of shares or options held by the Directors up to the date of this report.

This concludes the Remuneration Report, which has been audited.

Directors' Meetings

The number of Directors' Board meetings and meetings of Committees of Directors of Ark Mines Ltd (including by way of circular resolution) held during the year ended 30 June 2025 and the numbers of meetings attended by each Director are as follows.

Director	Board		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Roger A Jackson	6	6	1	1
Benjamin P Emery	6	6	1	1
Ian B Mitchell	6	6	1	1

Directors' Meetings (cont.)

As well as formal Directors' meetings, Executive and Non-Executive Directors are in frequent communication by telephone, email and other electronic means.

Environmental Regulations

The Group is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Group's contracts or licences.

Dividends

No dividends have been declared in respect of the financial year ended 30 June 2025 (2024: Nil).

Significant Changes in State of Affairs

There have been no significant changes to the state of affairs of the Company.

Events Subsequent to Reporting Date

Events subsequent to the reporting date are included in Note 22 to the financial statements and within the Directors Report under Review of Operations.

The Directors are not aware of any matter or circumstance not otherwise dealt with in this Annual Report or in the financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments

It is likely that the Group will continue with the exploration activities on its mining tenements and proceed to develop its Sandy Mitchell project into a heavy mineral sands mine.

Please see Note 22 – Subsequent Events for further details.

Indemnifying Officers and Auditor

The Company has indemnified Directors and staff to the extent possible under the Corporations Law against any liabilities incurred by the person as an officer of the Company. The Company has also provided an indemnity to its contracted CFO and accounting staff for liabilities incurred in acting in this capacity. The Company has not indemnified the auditor.

Non-Audit Services

The Auditor provided no other services during the financial year ended 30 June 2025.

Officers of the Company who are former Audit Partners of Moore Australia Audit (WA)

There are no officers of the Company who are former Partners of Moore Australia Audit (WA).

Auditor Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2025 has been received and a copy is reproduced on page 20. Moore Australia Audit (WA) continues office in accordance with section 327 of the Corporations Act 2001.

Proceedings on Behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate Governance

The Company's Corporate Governance Statement can be found on its web-site at www.arkmines.com/governance/.

Signed in accordance with a resolution of the Board of Directors.



Roger A Jackson
Executive Chairman
Sydney, 26 September 2025

AUDITOR'S INDEPENDENCE DECLARATION

For the year ended 30 June 2025



Moore Australia Audit (WA)

Level 15, Exchange Tower,
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PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355

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www.moore-australia.com.au

Auditor's Independence Declaration Under Section 307c of the Corporations Act 2001 To the directors of Ark Mines Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Wen-Shien Chai
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
26th day of September 2025

Moore Australia Audit (WA)
Chartered Accountants



ACN 123 668 717

Financial Statements

For the year ended 30 June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

		Consolidated	
	Note	June 2025	June 2024
		\$	\$
Revenue from ordinary activities			
Interest income		5,289	28,680
Other income		6,000	-
Total revenue		11,289	28,680
Less: Expenses			
Accounting and secretarial expenses		99,673	84,720
ASX listing costs		32,863	65,774
Audit fees	24	40,667	39,472
Consultants		517,210	400,295
Depreciation	8	27,534	24,328
Directors' fees		135,000	108,000
Exploration costs expensed		27,583	190
Insurance		55,483	45,083
Investor relations		261,987	188,011
Share registry costs		11,376	21,291
Other expenses from ordinary activities		251,373	255,516
Total expenses		1,460,749	1,232,680
Loss from operating activities		(1,449,460)	(1,204,000)
ATO R&D rebate		290,092	-
Interest expense		(25,753)	-
Net foreign exchange gains		18	3
Loss before income tax		(1,185,103)	(1,203,997)
Income tax expense	4	-	-
Loss from continuing operations after income tax		(1,185,103)	(1,203,997)
Other Comprehensive loss for the year		-	-
Total comprehensive loss for the year		(1,185,103)	(1,203,997)
Earnings per share			
Basic - cents per share	25	(2.08)	(2.20)
Diluted - cents per share	25	(2.08)	(2.20)

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		Consolidated	
	Note	2025	2024
		\$	\$
Current assets			
Cash and cash equivalents	5	1,301,374	1,349,127
Trade and other receivables	6	92,881	75,424
Prepayments		21,954	17,118
Total current assets		1,416,209	1,441,669
Non-current assets			
Capitalised exploration and evaluation expenditure	7	5,475,217	4,611,423
Plant and equipment	8	278,127	285,661
Environmental bonds and tenement deposits	9	9,500	9,500
Total non-current assets		5,762,844	4,906,584
Total assets		7,179,053	6,348,253
Current liabilities			
Trade and other payables	10	198,439	250,451
Total current liabilities		198,439	250,451
Non-current liabilities			
Borrowings	11	575,753	-
Total current liabilities		575,753	-
Total liabilities		774,192	250,451
Net assets		6,404,861	6,097,802
Equity			
Contributed equity	12	21,718,627	20,226,465
Reserves	13	1,303,175	1,303,175
Accumulated losses	14	(16,616,941)	(15,431,838)
Total equity		6,404,861	6,097,802

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

		Consolidated			
	Note	Issued capital	Reserves	Acc. losses	Total
		\$	\$	\$	\$
June 2025					
Balance at 1 July 2024		20,226,465	1,303,175	(15,431,838)	6,097,802
Total comprehensive loss for the year		-	-	(1,185,103)	(1,185,103)
<u>Transactions with owners in their capacity as owners</u>					
Ordinary shares issued, net of transaction costs	12	1,492,162	-	-	1,492,162
Movement for the year		1,492,162	-	(1,185,103)	307,059
Balance at 30 June 2025		21,718,627	1,303,175	(16,616,941)	6,404,861
June 2024					
Balance at 1 July 2023		17,784,220	850,015	(14,227,841)	4,406,394
Total comprehensive loss for the year		-	-	(1,203,997)	(1,203,997)
<u>Transactions with owners in their capacity as owners</u>					
Ordinary shares issued, net of transaction costs	12	2,442,245	-	-	2,442,245
Share based payments reserve		-	453,160	-	453,160
Movement for the year		2,442,245	453,160	(1,203,997)	1,691,408
Balance at 30 June 2024		20,226,465	1,303,175	(15,431,838)	6,097,802

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

		Consolidated	
	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,465,421)	(1,157,028)
ATO R&D rebate received		290,092	-
Other income		6,000	-
Interest received		5,289	28,680
Interest, finance costs and exchange losses		18	3
Net cash used in operating activities	15	(1,164,022)	(1,128,345)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure	15	(905,893)	(1,462,626)
Payments for plant and equipment	8	(20,000)	(96,402)
Payments for environmental deposits	9	-	(500)
Net cash used in investing activities		(925,893)	(1,559,528)
Cash flows from financing activities			
Proceeds from converting loan	11	550,000	-
Proceeds from share issues	12	1,500,000	3,114,258
Payments for share issue costs	12	(7,838)	(218,853)
Net cash provided by financing activities		2,042,162	2,895,405
Net (decrease) increase in cash held		(47,753)	207,532
Cash at beginning of financial year		1,349,127	1,141,595
Cash at end of financial year		1,301,374	1,349,127

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. Reporting Entity

The financial report is for the entity Ark Mines Ltd (the "Company" or "Ark") and its wholly owned subsidiaries (together, the "Group"). Ark Mines Ltd is a company limited by shares incorporated and domiciled in Australia with its registered address at Level 9, 19 – 29 Martin Place Sydney NSW 2000. Ark Mines Ltd is listed on the ASX.

The principal activity of the Group for the financial year was the exploration and evaluation of mineral exploration tenements.

2. Basis of Preparation

Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, applicable to for-profit entities. The financial statements of the Group comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements were authorised for issue by a resolution of the Board dated 26 September 2025.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ark Mines Ltd and its subsidiaries as at 30 June 2025. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Basis of measurement

These financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The financial report has been presented in Australian Dollars (\$A) which is the functional currency of the Group.

Use of estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information about critical judgements in applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Note 7 – Capitalised Exploration and Evaluation Expenditure.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current.

Going Concern Basis

The Group has incurred a net loss after tax of \$1,185,103 (2024: \$1,203,997) for the full year and net cash outflows from operating activities of \$1,164,022 (2024: \$1,128,345). As at 30 June 2025, the Group held cash of \$1,301,374 and had net current assets of \$1,217,770.

Since the end of the financial year, the Company has received a commitment from the Queensland Government via its Critical Minerals and Battery Technology Fund for an investment of \$4.5m in the Company's Sandy Mitchell project. Further details of this investment are included at Note 22.

Directors have determined that with this investment, there will be sufficient cash for the Group to continue its exploration and development activities and to remain cash positive at least until September 2026.

On this basis the Directors are of the opinion that the financial statements can be prepared on a going concern basis and that the Group will be able to pay its debts as and when they fall due and payable.

Should this not be achieved the Group may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and pay its debts as and when they fall due.

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3. Material Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income tax – Note 4

The tax loss for current income tax expense is based on the loss for the year adjusted for any non-assessable or disallowed items and is calculated using tax rates that have been enacted or are substantively enacted at the reporting date. Deferred tax is accounted for using the statement of financial position method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

In calculating the Groups tax losses, it has been assumed that tax losses from prior years are still available, notwithstanding the capital raising that the Company undertook in December 2021. Brought forward tax losses will normally only available if the Company can satisfy a "continuity of ownership" test or "similar business" test. Although there are concessional tracing rules for listed companies, An analysis of shareholders since beginning of the loss period (FY22) has been undertaken. The analysis has concluded that individual shareholders holding less than 10% of the Company have comprised at least 50% of the Company's issued shares since this time, enabling tax losses be recouped in the future.

The Company and its subsidiaries formed a tax-consolidated Group and are therefore taxed as a single entity from that date. The members of the tax-consolidated Group are identified on page 39 of this Annual Report. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Company and the other members of the tax-consolidated Group in accordance with the arrangement.

Capitalised exploration and evaluation expenditure – Note 7

Capitalised exploration and evaluation expenditure incurred is accumulated in respect of each tenement. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the tenement or where activities in the tenement have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Once a tenement enters a development phase, historical capitalised exploration expenditure is transferred to capitalised development expenditure. Accumulated costs in relation to an abandoned tenement are written off in the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the tenement is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the tenement according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each tenement to determine the appropriateness of continuing to carry forward costs in relation to that tenement and should the tenement no longer be considered prospective, then the Group will make a provision in the accounts for the carrying value of the tenement.

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of respective tenements.

Plant and equipment – Note 8

Plant and equipment is stated at cost less accumulated depreciation.

Items of equipment have limited lives and are depreciated on a straight-line basis over their estimated useful lives. Depreciation rates and methods are reviewed annually for appropriateness.

No changes have been deemed necessary for the year ending 30 June 2025.

All motor vehicles and other exploration assets are depreciated at the rate of 20% per annum.

Depreciation is expensed in the statement of profit or loss and other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. Material Accounting Policies (cont.)

Earnings per share – Note 25

Basic earnings per share is calculated as the total comprehensive loss for the year, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as the total comprehensive loss for the year divided by the weighted average number of ordinary shares, assuming the exercise of dilutive options over ordinary shares in the Company.

The assumed proceeds from these options are regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the financial year. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period is treated as an issue of ordinary shares for no consideration and is dilutive.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis.

New, revised or amending accounting standards and interpretations not yet mandatory or early adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

These standards have no material impact on the Group's current financial reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025.

No new, revised or amended accounting standards and interpretations are expected to have a material impact on the financial reporting of the Group.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Consolidated

4. Income Tax Expense

The prima facie tax benefit on loss before income tax is reconciled to the income tax expense as follows:

	2025	2024
	\$	\$
Prima facie income tax on loss before tax at 30.0% (2024: 30.0%)	(355,531)	(361,199)
<u>Add: tax effect of:</u>		
Non assessable ATO R&D rebate	(84,490)	-
Non allowable expenses	-	3,406
<u>Add/(deduct) temporary differences not brought to account:</u>		
Capital raising expenses	(49,146)	(75,219)
Exploration expenditure	(259,138)	(403,717)
Other temporary differences	(26,214)	(42,828)
Tax losses not recognised	774,519	879,557
Income tax expense	-	-

	Opening	Movement	Adjustment to FY2024 ¹	Closing
	\$	\$	\$	\$
Deferred income tax – 2025				
Deferred tax assets:				
Capital raising expenses	123,614	(46,795)	-	76,819
Provisions	6,600	9,840	-	16,440
Tax losses	1,482,072	774,519	-	2,256,591
Total deferred tax assets	1,612,286	737,564	-	2,349,850
Deferred tax liabilities:				
Exploration and evaluation expenditure	(935,549)	(295,798)	-	(1,231,347)
Total deferred tax liabilities	(935,549)	(295,798)	-	(1,231,347)
Net deferred tax assets	676,737	441,766	-	1,118,503
Deferred income tax – 2024				
Deferred tax assets:				
Capital raising expenses	106,908	121,784	(105,078)	123,614
Provisions	12,769	(6,169)	-	6,600
Tax losses	803,590	879,557	(201,075)	1,482,072
Total deferred tax assets	923,267	995,172	(306,153)	1,612,286
Deferred tax liabilities:				
Exploration and evaluation expenditure	(495,173)	(440,376)	-	(935,549)
Total deferred tax liabilities	(495,173)	(440,376)	-	(935,549)
Net deferred tax assets	428,094	554,796	(306,153)	676,737

The tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits.

In calculating the Groups tax losses, it has been assumed that tax losses from prior years are still available, notwithstanding the capital raising that the Company undertook in December 2021. Brought forward tax losses will normally only be available if the Company can satisfy a "continuity of ownership" test or "similar business" test. An analysis of shareholders since beginning of the loss period (FY22) has been undertaken. The analysis has concluded that individual shareholders holding less than 10% of the Company have comprised at least 50% of the Company's issued shares since this time, enabling tax losses be recouped in the future.

Notes:

1. An error was identified in the 2024 calculation of deferred tax assets relating to capital raising expenses. This error has no impact on the 2024 Statement of Profit or Loss and Other Comprehensive Income, nor on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

		Consolidated	
		2025	2024
		\$	\$
5. Cash and Cash Equivalents			
Cash at bank		1,301,374	1,349,127
Total cash and cash equivalents		1,301,374	1,349,127
6. Trade and Other Receivables			
GST recoverable		85,408	67,951
Other receivables		7,473	7,473
Total trade and other receivables		92,881	75,424
7. Capitalised Exploration and Evaluation Expenditure			
Balance at the beginning of the year		4,611,423	3,265,702
Exploration and Evaluation Expenditure capitalised during the year		863,794	1,345,721
Balance at the end of the year		5,475,217	4,611,423
<p>The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of respective areas. The Company reviews annually the carrying value of the exploration and evaluation expenditure, and will capitalise the expenditure if it considers the area of interest to be prospective. Should the particular area of interest no longer be considered prospective, then the Company will make a provision in the accounts for the carrying value of the project. A Schedule of Tenements is shown on page 44 of this Annual Report.</p>			
8. Plant and Equipment			
Motor Vehicles and Mining Equipment			
<u>At cost</u>			
Balance at the beginning of the year		319,693	223,291
Additions during the year		20,000	96,402
Balance at the end of the year		339,693	319,693
<u>Accumulated depreciation</u>			
Balance at the beginning of the year		34,032	9,704
Charge for the year		27,534	24,328
Balance at the end of the year		61,566	34,032
Total plant and equipment		278,127	285,661
9. Environmental Bonds and Security Deposits			
EPM 26560 – Gunnawarra		3,000	3,000
EPM 26464 - Mt Jesse		3,000	3,000
EPM 26883 – Pluton		3,000	3,000
Other		500	500
Total environmental bonds and security deposits		9,500	9,500

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

		Consolidated	
		2025	2024
		\$	\$
10. Trade and Other Payables			
Trade creditors		136,051	220,864
Accruals		54,800	22,000
Other payables		7,588	7,587
Total trade and other payables		198,439	250,451

11. Borrowings

Loan from related party	575,753	-
Total borrowings	575,753	-

On 20 December 2024 the Company entered into a converting loan agreement with Mr Ian Mitchell (the "Lender") who is a Director of the Company. The Loan is for \$350,000, at an interest rate of 10% pa, for a term commencing on 20 December 2024 and ending on 1 October 2026. The Loan is unsecured.

On 7 February 2025 the Company entered into a further converting loan agreement with Mr Ian Mitchell. The Loan is for \$200,000, at an interest rate of 10% pa, for a term commencing on 20 December 2024 and ending on 1 October 2026. The Loan is unsecured. (together the "Loans")

The balance of the Loans shown above includes interest accrued to 30 June 2025 of \$25,753.

Under the terms of the Loans, the Loans may be converted to shares:

- By the Lender during the period commencing on 20 December 2024 and ending on 20 July 2025, for a conversion price of \$0.20 per share. If exercised during this period the Company will issue to the Lender two options for every five shares delivered, exercisable at \$0.40 per share and expiring 26 July 2026.
- By either party after 20 July 2025 until the end of the Loans.

Any issue of Shares to the Lender is conditional on shareholder approval. In the event that shareholders did not approve the issue, the Loans are repayable in cash.

Directors determined that the terms of the Loans are equal to or better than if the Lender and the Company were dealing at arms-length.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

		Consolidated	
		2025	2024
		\$	\$
12. Contributed Equity			
Ordinary Shares Number	No.	No.	
Balance at the beginning of the year	55,446,443	44,615,748	
<u>Shares issued during the year</u>			
Issued 5 May 2025	10,714,285	-	
Issued 26 July 2023	-	6,551,723	
Issued 27 July 2023	-	3,982,932	
Issued 24 December 2023	-	296,040	
Balance at the end of the year	66,160,728	55,446,443	
Ordinary Shares Value	\$	\$	
Balance at the beginning of the year	20,226,465	17,784,220	
<u>Shares issued during the year</u>			
Issued 5 May 2025 @ \$0.14	1,500,000	-	
Issued 26 July 2023 @ \$0.29	-	1,900,000	
Issued 27 July 2023 @ \$0.29	-	1,155,050	
Issued 24 December 2023 @ \$0.20	-	59,208	
Capital raising costs	(7,838)	(672,013)	
Balance at the end of the year	21,718,627	20,226,465	
The Company has not declared or paid a dividend during the year. There is no franking account balance for the year ended 30 June 2025 (2024: Nil).			
13. Reserves			
Share Based Payment Reserve			
Balance at the beginning of the year	1,303,175	850,015	
Share-based payments during the year	-	453,160	
Balance at the end of the year	1,303,175	1,303,175	
14. Accumulated Losses			
Balance at the beginning of the year	(15,431,838)	(14,227,841)	
Total comprehensive loss for the year	(1,185,103)	(1,203,997)	
Balance at the end of the year	(16,616,941)	(15,431,838)	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

15. Cash Flow Information

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position

Cash and cash equivalents

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

Loss from continuing operations after income tax

Less: non-cash items

Depreciation

Interest accrued on borrowings

Less: investment amounts included in working capital

Exploration and evaluation expenditure included in trade payables

Movements in working capital

(Increase) / Decrease in trade and other receivables

(Increase) / Decrease in prepayments

Decrease in trade payables

Cash flow from operations

Other non-cash items

During the year the Group capitalised exploration and evaluation expenditure of \$863,794. This reconciles to the payments for exploration and evaluation expenditure of \$905,893 included in the cash flow statement by the net movement of exploration and evaluation amounts in trade payables during the financial year totalling \$42,099.

16. Share Options

Unlisted Options over fully paid ordinary shares

Balance at the beginning of the year

Balance at the beginning of the year

Options issued during the year

Issued 13 December 2023 exercisable @ \$0.40 and expiring 26 July 2026

Options expired during the year

Expired 17 December 2023

Expired 24 December 2023

Exercised 24 December 2023

Balance at the end of the year

Consolidated	
2025	2024
\$	\$
1,301,374	1,349,127
(1,185,103)	(1,203,997)
27,534	24,328
25,753	-
42,099	116,905
(17,457)	46,917
(4,836)	4,914
(52,012)	(117,412)
(1,164,022)	(1,128,345)

No.	No.
5,267,317	14,972,500
-	5,267,317
-	(750,000)
-	(13,926,460)
-	(296,040)
5,267,317	5,267,317

All options are immediately exercisable @ \$0.40 and expire on 26 July 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

		Consolidated	
		2025	2024
17. Related Party Transactions			
Provision of services			
Roger A Jackson		170,981	218,419
Benjamin P Emery		276,300	231,000
Total provision of services		447,281	449,419
Provision of loans			
Ian B Mitchell		575,753	-
Total provision of loans		575,753	-

Both Mr Jackson and Mr Emery provide executive services to the Group under a services contract which is approved by the Board. Mr Jackson is the Company's Executive Chairman, and Mr Emery is an Executive Director. Refer to note 11 for details of loans made to the Company by Mr Mitchell.

All related party transactions have to receive Board approval in advance. All payments to related parties also receive Board approval. All transactions with Directors and their associates are conducted on an arms-length basis and in the ordinary course of business. The Board is sufficiently knowledgeable and experienced to ensure that amounts paid for these services is in line with commercial expectations. Refer also to Note 18 for Key Management Personnel Disclosures.

18. Directors and Key Management Personnel disclosures

Name

Roger A Jackson
Benjamin P Emery
Ian B Mitchell
Ian K White

Position

Director - Executive Chairman
Director - Executive
Director - Non-Executive and Company Secretary
Chief Financial Officer and Company Secretary

Directors' and KMP shareholdings including holdings of their closely related entities as at 30 June 2025.

Name	Shares			
	30-Jun-24	Acquired	Disposed	30-Jun-25
Roger A Jackson	1,077,829	-	-	1,077,829
Benjamin P Emery	8,250,000	-	-	8,250,000
Ian B Mitchell	1,031,431	100,000	-	1,131,431
Ian K White	12,675	-	-	12,675
Total	10,371,935	100,000	-	10,471,935

Directors' and KMP option holdings including holdings of their closely related entities.

		Consolidated	
		2025	2024
		\$	\$
Director and KMP remuneration			
Short term remuneration		657,934	626,119
Long term remuneration		-	-
Total remuneration		657,934	626,119

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

19. Commitments

The Group holds exploration tenements; EPM 26464, EPM 26560, EPM 26883 and EPM 28013 ("Tenements") in Queensland, Australia. In order to retain its current rights of tenure to the Tenements, the Group is required to comply with tenement obligations specified by the State Government, including the completion of activities-based works programs which are assessed over the life of the Tenements. There are no set annual expenditure amounts. If Tenement obligations are not met it may result in the loss of the Tenement or a reduction in the Tenement area. The Group is presently on track to meet all of its Tenement obligations.

20. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable. Exposure to currency risk, interest rate and liquidity risk arises in the normal course of the business. The Group's overall financial risk management strategy is to seek to ensure that the Group is able to fund its business plans.

	Note	Current Interest rate	Fixed Interest rate	Floating Interest rate	Non- interest Bearing	Total
			\$	\$	\$	\$
Financial assets						
Cash held interest bearing account	5	0.5%	-	1,258,468	-	1,258,468
Cash held in transaction account	5	0.0%	-	41,639	-	41,639
Cash held in US\$ bank account	5	0.0%	-	1,266	-	1,266
GST recoverable	6	0.0%	-	-	85,408	85,408
Other receivables	6	0.0%	-	-	7,473	7,473
Financial liabilities						
Trade and other payables	10	0.0%	-	-	198,439	198,439
Loans from related party	11	10.0%	575,753	-	-	575,753
Total			575,753	1,301,373	291,320	2,168,446

The Group uses various measures dependent on the types of risk to which it is exposed. These methods include cash flow at risk analysis in the case of interest rate and foreign exchange risk. Financial risk management is carried out by the Executive Chairman under policies approved by the Directors. The Directors provide written principles for overall risk management.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk exposure is limited to cash and cash equivalents. Management have reduced this risk by depositing cash with financial institutions with a credit rating of AAA or higher.

Interest rate risk

The Group's main interest rate risk arises from interest earnings on its surplus cash. The Group is exposed to interest rate risk to the extent its interest earnings may fluctuate. The impact of a 1% movement in the interest rate on the funds invested when all other variables are held constant is immaterial.

Exchange rate risk

The Group's exchange rate risk arises from its cash deposited in a US dollar bank account. The Group is exposed to exchange rate risk to the extent that the exchange rate between US dollars and Australian dollars may fluctuate. The Group's objective is to minimise this risk through careful monitoring of the exchange rate and to draw down sufficient funds when the rate is favourable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

20. Financial Risk Management (cont.)

Liquidity risk

Prudent liquidity risk management implies maintaining available cash funding to meet ongoing operational requirements, exploration expenditure, and small to medium sized opportunistic projects and investments.

The Group's objective is to safeguard its ability to continue as a going concern and to maintain a conservative capital structure so that management can focus on running its core business together with being an attractive investment for shareholders and potential investors. The Group will consider the most appropriate use of debt and equity to maximise its returns while maintaining a low-risk capital structure. The following is a maturity analysis of the Company's financial liabilities:

	Note	Total \$	Less than one year \$	Greater than one year \$	Maturity Details
Financial liabilities					
Trade creditors	10	136,051	136,051	-	Generally payable each 30 days.
Loans from related party	11	575,753	-	575,753	1 October 2026 but may be converted into shares. Refer Note 11 for details.

Fair values

The Group has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. The fair values are not materially different to their carrying amounts, since the instruments are short term in nature

21. Segments

During the financial year, the Group operated in the Australian mining exploration sector only.

22. Subsequent Events

On 25 August 2025 the Company announced that the Queensland government owned Critical Minerals and Battery Technology Fund ("QCMBTF") would invest \$4.5m investment in Ark Mines to advance development at the Sandy Mitchell Rare Earth and Heavy Mineral Projects. The QCMBTF is managed by QIC, a corporation with A\$131.2bn (~US\$86bn) in funds under management as of 30 June 2025. The QCMBTF's primary objective is to support businesses across the critical minerals supply chain in Queensland.

The QCMBTF's investment in two parts:

- \$4m cash in exchange for a 2% Royalty on future product sales from Sandy Mitchell; and a
- \$500,000 equity investment, subject to shareholder approval.

QCMBTF funding will facilitate the rapid acceleration of project development at Sandy Mitchell including stage-3 infill drilling now underway, with results to be incorporated into upcoming pre-feasibility study.

Ark Mines is now targeting production in late CY27.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

23. Parent Company Information

Statement of Financial Position

Assets

Total current assets

1,416,708

1,441,669

Total non-current assets

5,766,152

4,908,786

Total assets

7,182,860

6,350,455

Liabilities

Total current liabilities

198,439

250,451

Total non-current liabilities

575,753

-

Total liabilities

774,192

250,451

Net assets

6,408,668

6,100,004

Equity

Contributed equity

21,718,627

20,226,465

Reserves

1,303,175

1,303,175

Accumulated losses

(16,613,134)

(15,429,636)

Total equity

6,408,668

6,100,004

Statement of Profit or Loss and Other Comprehensive Income

Loss before income tax

1,183,498

1,202,664

Total comprehensive loss for the year

1,183,498

1,202,664

24. Auditor's Remuneration

Audit and review of the financial reports – Moore Australia Audit (WA)

40,667

39,472

Total auditor's remuneration

40,667

39,472

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

25. Earnings Per Share

Basic Earnings Per Share

Ordinary share number 2025 financial year

Balance at the beginning of the year

Issued 5 May 2025

Balance at end of the year

Ordinary share number 2024 financial year

Balance at the beginning of the year

Issued 26 July 2023

Issued 27 July 2023

Issued 24 December 2023

Balance at end of the year

Total comprehensive loss for the year

Basic - cents per share

Diluted Earnings Per Share

Diluted ordinary share number 2025 financial year

Ordinary share number at the end of the 2025 financial year

Add:

Dilutive potential of options

Diluted balance at the end of the year

Diluted ordinary share number 2024 financial year

Ordinary share number at the end of the 2024 financial year

Add:

Dilutive potential of options

Diluted balance at the end of the year

Total comprehensive loss for the year

Diluted - cents per share

Consolidated	
No	No
Weighted Av.	
55,446,443	55,294,535
10,714,285	1,643,835
66,160,728	56,938,370
44,615,748	44,615,748
6,551,723	6,264,524
3,982,932	3,808,338
296,040	153,292
55,446,443	54,841,902
2025	2024
\$	\$
(1,185,103)	(1,203,997)
(2.08)	(2.20)
No	No
Weighted Av.	
66,160,728	56,938,370
-	-
66,160,728	56,938,370
55,446,443	54,841,902
-	-
55,446,443	54,841,902
2025	2024
\$	\$
(1,185,103)	(1,203,997)
(2.08)	(2.20)

26. Contingent Assets and Contingent Liabilities

The Group has no contingent assets or liabilities at the end of the financial year.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2025

Subsidiary	Entity Type	Place of Incorporation	Ownership	Australian Tax Residency Status	Foreign Tax Residency Status
MIJ Holding Co Pty Ltd	Body corporate	Australia	100%	Australia	NA
Gunnawarra Pty Ltd	Body corporate	Australia	100%	Australia	NA
Mt Jesse Pty Ltd	Body corporate	Australia	100%	Australia	NA
Mt Pluton Base Pty Ltd	Body corporate	Australia	100%	Australia	NA
Gunnawarra Contracting Pty Ltd	Body corporate	Australia	100%	Australia	NA

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DIRECTORS' DECLARATION

For the year ended 30 June 2025

In the Directors' opinion;

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- The information included in the Consolidated Entity Disclosure Statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the directors,



Roger Jackson
Executive Chairman
Sydney, 26 September 2025

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Independent Auditor's Report

To the members of Ark Mines Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ark Mines Ltd (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty related to going concern

We draw attention to Note 2 of the financial report, which describes the principal conditions that may cast doubts about the Group's ability to continue as a going concern. These conditions as explained in Note 2 indicate the existence of a material uncertainty about the Group's ability to continue as a going concern for at least the next 12 months. If the Group is unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts other than as stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

For the year ended 30 June 2025



Key audit matter

How the matter was addressed in our audit

Carrying value of Exploration & Evaluation Expenditure Assets

Refer to Note 7- Capitalised Exploration & Evaluation Expenditure

At 30 June 2025, the carrying value of the Group's Exploration and Evaluation assets was \$5.5 million. Total additions during the year were \$864K.

The Group is required to capitalise its exploration and evaluation expenditure and assess the capitalised expenditure (asset) for impairment in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources".

This is a key audit matter because of the significant value attributed to the asset in the accounts and the significant management judgement involved in determining the appropriate treatment of such expenditure and if impairment indicators exist at reporting date which may suggest the carrying value is in excess of the estimated recoverable value.

Our procedures included, amongst others:

- Reviewed management's records of capitalised exploration and evaluation expenditure, by area of interest, reconciled the expenditure to the general ledger and performed test of details for additions.
- Ensured the capitalised exploration and evaluation expenditure has been properly recorded in respect of each area of interest in accordance with requirements set out in AASB 6.
- Carried out a review of management's assessment of impairment indicators in accordance with AASB 6 including
 - Confirmed that rights of tenure continue to exist in relation to exploration projects; and
 - Discussed with management their ongoing exploration and evaluation plans in respect of significant areas of interest including budgeted expenditure over the next 12 months.
- Assessed the accuracy and adequacy of any impairments recorded in respect of the year ended 30 June 2025.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; &
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Ark Mines Ltd, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Wen-Shien Chai
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
28th day of September 2025

Moore Australia Audit (WA)
Chartered Accountants

SCHEDULE OF TENEMENTS

As at 30 June 2025

Exploration Licence	Title Name	Title Holder	Interest	Location	Mineral	Grant Date	Expiry Date	Status
EPM 28013	Sandy Mitchell	Ark Mines Ltd	100%	130kms northwest of Chillagoe - Queensland	Rare Earths	21-August-22	20-August-27	Current
EPM 26560	Gunnawarra	Gunnawarra Pty Ltd	100%	40kms south of Mount Garnet - Queensland	Nickel / Cobalt	23-Nov-17	22-Nov-25	Current ¹
EPM 26464	Mt Jesse	Mt Jesse Pty Ltd	100%	25km west of Mt Garnet and 176km from Cairns - Queensland	Copper / Iron	05-Oct-17	04-Oct-25	Current ¹
EPM 26883	Mt Pluton	Mt Pluton Base Pty Ltd	100%	90km southwest of Cairns, near Mareeba - Queensland	Gold	07-Mar-19	06-Mar-27	Current

Notes:

1. Renewal in progress.

MINERAL RESOURCES

As at 30 June 2025

As at 30 June 2025

Sandy Mitchell	Tonnes	Monazite Eq.	Monazite	Xenotime	Zircon	Rutile	High Ti Leucoxene	Low Ti Leucoxene	Altered Ilmenite	Ilmenite	TREO+ Y+Sc	TREO	LREO	HREO	MREO	CREO
Inferred Resource																
Grade ppm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indicated Resource																
Grade ppm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Measured Resource																
Grade ppm	-	1,732.7	1,229.0	115.7	663.0	105.3	304.0	192.7	318.8	339.7	475.2	403.5	389.6	13.9	99.4	110.9
Tonnes	71,789,616	124,386	88,228	8,302	47,593	7,557	21,820	13,835	22,530	24,385	32,821	28,965	27,970	995	7,132	7,960

As at 30 June 2024

Sandy Mitchell	Tonnes	Monazite Eq.	Monazite	Xenotime	Zircon	Rutile	High Ti Leucoxene	Low Ti Leucoxene	Altered Ilmenite	Ilmenite	TREO+ Y+Sc	TREO	LREO	HREO	MREO	CREO
Inferred Resource																
Grade ppm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indicated Resource																
Grade ppm	-	1,419.1	674.4	89.1	699.4	622.2	-	-	-	11,365.1	494.5	435.1	420.6	14.5	105.2	87.5
Tonnes	21,686,232	30,775	14,626	1,932	15,168	13,493	-	-	-	246,465	10,724	9,436	9,121	315	2,282	1,897
Measured Resource																
Grade ppm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MINERAL RESOURCES

As at 30 June 2025

As at 30 June 2025

Gunnawarra	Tonnes	Grade ppm.	Tonnes Metal
Inferred Resource			
Nickel	1,341,000	5,350	7,200
Cobalt	602,000	660	400
Copper	191,500	540	100
Indicated Resource			
Nickel	-	-	-
Cobalt	-	-	-
Copper	-	-	-
Measured Resource			
Nickel	-	-	-
Cobalt	-	-	-
Copper	-	-	-

As at 30 June 2024

Gunnawarra	Tonnes	Grade ppm.	Tonnes Metal
Inferred Resource			
Nickel	1,341,000	5,350	7,200
Cobalt	602,000	660	400
Copper	191,500	540	100
Indicated Resource			
Nickel	-	-	-
Cobalt	-	-	-
Copper	-	-	-
Measured Resource			
Nickel	-	-	-
Cobalt	-	-	-
Copper	-	-	-

Summary of the results of annual review of mineral resources:

Sandy Mitchell

On 2 October 2024, the Company announced an upgrade of to its Mineral Resource Estimate ("MRE") for Sandy Mitchell from a previously Indicated MRE of 21,686,232 Mt @ 1,419ppm Monazite Equivalent ("MzEq") calculated using a 700 ppm MzEq lower cut-off grade to a Measured MRE of 71,789,616 Mt @ 1,732.7 ppm MzEq calculated using a 700ppm MzEq lower cut-off grade. (Refer to page 13 for details of MzEq calculation)

There were no material changes in the MRE in the period between the 2 October 2024 announcement of the Measured MRE and the date of this report.

Gunnawarra

There were no material changes in the MRE in the period between 1 July 2024 and the date of this report.

Governance arrangements and internal controls in place with respect to mineral resource estimates:

The Gunnawarra MRE and the Sandy Mitchell MRE were determined by independent consultants HGS Australia. The use of independent consultants to determine mineral resource estimates forms the basis of the Group's governance and internal control procedures for this activity.

Competent Persons statement

The information in the preceding mineral resource statements is based on and fairly represents information compiled by Mr Roger Jackson, a Director and shareholder of the Company, who is a 25+ year Fellow of the Australasian Institute of Mining and Metallurgy ("FAusIMM") and a Member of the Australian Institute of Company Directors. Mr Jackson has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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. Jackson has approved the preceding mineral resources statements as a whole and consents to the inclusion of the data contained in relevant resource reports used for these mineral resource statements as well as their form and context.

ADDITIONAL ASX INFORMATION

As at 22 August 2025

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 22 August 2025.

Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Nº	Shareholder	Shares	%
1	KSF Fund No. Two Pty Ltd	9,285,714	14.04
2	Bmax Holdings Pty Ltd	8,000,000	12.09
3	Ms Justine Davina Michel <Lambrecht Investment A/C>	6,268,624	9.47
4	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	2,467,670	3.73
5	Mr Troy Wayne Johnstone	2,006,276	3.03
6	Chaleyer Holdings Pty Ltd <Rubben Family A/C>	2,000,000	3.02
7	Mr Gregory John Munyard + Mrs Maria Ann Munyard + Mrs Carmen Helene Cruz <Riviera Super Fund A/C>	1,472,850	2.23
8	Anne Marie Karreman	1,428,571	2.16
9	Mr Robert Galbraith	1,008,310	1.52
10	RJ Consolidated Pty Ltd <Super Fund A/C>	952,000	1.44
11	Auraria Group Pty Ltd	945,452	1.43
12	Mr Antony Corel	920,130	1.39
13	Finclear Services Nominees Pty Limited <Accum A/C>	689,655	1.04
14	Ms Jacqueline Bryer	564,082	0.85
15	Mr Simon William Tritton <Investment A/C>	560,000	0.85
16	Filmrim Pty Ltd <Majufe Super A/C>	555,000	0.84
17	Cove Street Advisors Pty Ltd	500,000	0.76
18	Robert C Galbraith	500,000	0.76
19	Mr Henry Presser	500,000	0.76
20	Mrs Susan Mary Scanlen	500,000	0.76
Total		41,124,334	62.17

Distribution of Equity Securities

Fully paid ordinary shares

Range	Number of holders	Number of shares	%
1 - 1,000	186	76,709	0.12
1,001 - 5,000	182	522,055	0.79
5,001 - 10,000	134	1,228,202	1.86
10,001 - 100,000	224	8,892,796	13.44
100,001 Over	92	55,440,966	83.79
Total	818	66,160,728	100.00

The number of shareholders holding less than a marketable parcel is 283

ADDITIONAL ASX INFORMATION

As at 22 August 2025

Distribution of Equity Securities (cont.)

Unlisted Options – expiring 26 July 2026 and exercisable at \$0.40

Range	Number of holders	Number of options	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	11	99,587	1.89
10,001 - 100,000	86	3,013,212	57.21
100,001 Over	10	2,154,518	40.90
Total	107	5,267,317	100.00

There are no holders of unlisted options holding more than 20% of this class of equity security.

Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders are:

Shareholder	Shares	%
Benjamin Emery ¹	8,250,000	12.47
Bmax Holdings Pty Ltd	8,000,000	12.09
Ms Justine Davina Michel <Lambrecht Investment A/C>	6,268,624	9.47

¹. Includes the holding of Bmax Holdings Pty Ltd.

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands. No voting rights attach to any other class of equity security.

Restricted Securities

There are no securities subject to escrow.

On market buy-back

There is no current on-market buy back.

Mining Exploration Tenements

Details of the exploration tenements held by the Group are included in this Annual Report on page 44.

Mineral Resources and Ore Reserves

A table of mineral resources and ore reserves held by the Group together with a summary of the results of annual review of mineral resources, and details of the governance arrangements and internal controls in place with respect to mineral resource estimates, is included in this Annual Report on pages 45 and 46.

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