



No.10-10

NEWS RELEASE

July 7, 2010

### **SOUTHERN ARC NEGOTIATES US\$1 MILLION LOAN FROM DIRECTOR**

**Vancouver, B.C.:** Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSX Venture: SA) is very pleased to report that Dr. Michael Andrews, a director of the Company has loaned \$1 million (USD) to the Company. Southern Arc will use the proceeds of the loan to fund its Indonesian subsidiaries in connection with the applications for mining business licenses (IUP’s) on its West Lombok and Taliwang (Sumbawa Island) properties. The loan is non interest bearing, has a 3 month term, and may be repaid earlier by the Company. In consideration for granting the loan, the Company has assigned its option (the “Option”) to acquire 500,000 of the Company’s shares which are currently owned by Indotan Inc. The Option may be exercised until August 15, 2010 at a price of \$0.50 per common share. The Option is assignable by the Company and was previously announced in a news release dated October 29, 2009.

**On behalf of the Board of  
Southern Arc Minerals Inc.**

*“John Proust”*

President and CEO

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**Forward Looking Statements:** This news release contains forward looking statements relating to expected or anticipated future events and operations, timing of projects and anticipated results that are forward looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the company’s capability to execute and implement future plans. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. There is no representation by the company that actual results achieved during the forecast period will be the same in whole or in part as that forecast.

*The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*