

**SOUTHERN ARC ANNOUNCES ISSUING OF IUP LICENSE
FOR ITS TALIWANG PROPERTY**

Vancouver, B.C.: Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSX Venture: SA) is pleased to announce that it has been granted a Mining Business License (“IUP”) for its Taliwang property, located on the west coast of Sumbawa Island within the Province of West Nusa Tenggara.

Issued by the Regent of West Sumbawa, this IUP is comprised of two stages, with potential extensions. Over a period of 6 years, the exploration stage permits the Company to pursue exploration activities through to the conclusion of a feasibility study. Upon the conclusion of the exploration stage, the IUP automatically converts to a second stage, permitting the Company to conduct commercial production on this property for a minimum of 20 years, with the potential for two further 10 year extension periods.

With the issuance of the IUP, Southern Arc holds an 85% equity position in the Taliwang property with the remaining interest held by the West Sumbawa Regency (10%) and by the local company PT. Puri Permata Mega (5%). The West Sumbawa Regency interest is free-carried throughout the life of the project and is non-dilutable. The Company strongly feels that having the local Regency as an equity partner creates a synergistic and mutually beneficial environment for the advancement of this property. The Company’s interest in this property is aligned with that of the Regency and vice versa. As the first of its kind in Indonesia (where the local Government is a direct beneficial owner), and several months in the making, this bold new relationship will ensure that the local community will receive benefits directly from Southern Arc’s success in Taliwang.

Covering 31,204 hectares this property contains epithermal gold-silver-bearing quartz veins, high-level hydrothermal breccias, sedimentary-hosted Au and porphyry Cu-Au targets, all of which have been the subject of Company exploration since 2005. The property is located 15 km north of Newmont’s world-class Batu Hijau mine, along proven secondary NNE to NE and NW trending mineralized structures.

The Lemonga Prospect is a low-sulfidation epithermal quartz vein system over which surface mapping by SA has confirmed argillic alteration dominant within an hydrothermal upflow area approximately 1 km East-West by 1.5 km North-South. Five auriferous quartz vein targets, named Amy, Betty, Cici, Dessy and Evi, have been identified within the alteration zone. The best exposed vein, the Amy Vein, has a mapped strike extent of at least 950 meters and true widths of 4-15 metres, reflecting the “pinch and swell” vein geometry. Exploration drilling by the Company, consisting of two phases of shallow diamond drilling (56 holes @ 7,154.25 metres), has confirmed both lateral and vertical persistence of the mineralized structures. Combined evidence from drilling, petrological studies, and CSAMT signatures suggest that a substantial portion of the epithermal vein system remains largely untested and that there is a good possibility for gold grades to increase with depth to a point well below the current drilling levels.

The J3 Prospect comprises Au-Ag± base metal mineralization associated with jasperoid along the contact zone of a flat-lying silicified limestone and altered volcanoclastic sediment unit. Newmont’s previous channel sampling from a mineralized 2.7 metres thick limestone bed averaged 6.75 g/t Au and 61 g/t Ag. This anomalous outcrop is situated on the eastern edge of a 1.8 by 1.3 km zone of widespread anomalous Au soil geochemistry. The most significant anomaly within this zone comprises a 700 by 200 metres NW trending zone of >50 ppb Au in soil. This is interpreted as an erosional window through unaltered limestone cover re-exposing the mineralized limestone/volcanic contact. Moderate base metal, As, Sb and Mo soil anomalies as well as IP and resistivity anomalies are associated with elevated gold soil geochemistry throughout the area.

Outcrop sampling of jasperoid ledges by the Company returned numerous channel samples in excess of +5.0 g/t Au/+50 g/t Ag to a maximum grade of 216.0 g/t Au/330 g/t Ag over 3.0 metres. Prospecting culminated in a 7 hole scout drilling program (413.6 metres) testing subsurface extensions of the known surface Au-Ag jasperoid mineralization. Hole J3DH-01 reported an intercept of 2.0 metres @ 1.93 g/t Au / 11 g/t Ag, but the bulk of the area and western extensions have yet to be drill tested.

Surface prospecting at the Semoan-Raboya areas identified two structurally-controlled, high sulfidation epithermal vein prospects (Raboya and Semoan Prospects), linked to a deeper inferred porphyry Cu-Au mineralized intrusive (Ramit Prospect). NNE trending vughy silica± hematite (pyrite) altered zones up to 15 metres wide and 500 metres in length have returned anomalous rock values up to 4.93 g/t Au. These are enveloped by quartz-alunite± kaolinite altered volcanics and breccias forming a distinct cap, which merge outwards into argillic and propylitic alteration assemblages. This geological setting is analogous to other structurally-controlled high sulfidation systems such as the Nena (Papua New Guinea) and Lepanto (Philippines) deposits.

Upcoming exploration programs will focus primarily on diamond drilling campaigns where justified bringing prospect areas up to resource status.

For more information about the Taliwang property, please refer to the page on the Company website at: <http://www.southernarcminerals.com/projects/sumbawa/taliwang/>

For maps of the Taliwang property, please refer to the page on the Company website at: <http://www.southernarcminerals.com/projects/sumbawa/taliwang/maps/>

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

“John Proust”

President and CEO

For Further Information Please Contact:

John G. Proust, President and CEO

Southern Arc Minerals Inc.

Suite 1500, Box 1078, 885 West Georgia Street, Vancouver, BC V6C 3E8 Canada

Telephone: (604) 676-5241 Fax: (604) 676-5246

Email: info@southernarcminerals.com

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