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NEWS RELEASE

October 18, 2010

**SOUTHERN ARC NEGOTIATES LOAN REPAYMENT EXTENSION
FROM DIRECTOR**

Vancouver, B.C.: Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSX Venture: SA) is pleased to report that it has negotiated an extension to the repayment of its \$1 million (USD) loan from Michael J. Andrews, a director of the Company, announced July 7, 2010. The loan may now be repaid by the Company prior to June 30, 2011 and is not interest-bearing.

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

“John Proust”

President and CEO

For Further Information Please Contact:

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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.