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NEWS RELEASE

October 25, 2010

SOUTHERN ARC ADOPTS SHAREHOLDER RIGHTS PLAN

Vancouver, B.C.: Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSX Venture: SA) reports that its Board of Directors (the “Board”) has implemented a Shareholder Rights Plan Agreement (the “Rights Plan”) effective October 21, 2010.

The Rights Plan has been adopted to ensure the fair treatment of all Southern Arc shareholders in connection with any possible take-over bid for the outstanding common shares of the Company. If a take-over bid should occur the Rights Plan provides a mechanism to ensure that shareholders have adequate time to properly evaluate and assess a take-over bid without facing undue pressure. The Rights Plan also provides the Board with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value. The Rights Plan is not designed to prevent take-over bids that treat the Company’s shareholders fairly.

The Rights Plan is subject to approval of the TSX Venture Exchange and approval by the Company’s shareholders at the Company’s annual general and special shareholders’ meeting to be held on November 19, 2010. If ratified by the shareholders, the Rights Plan will have a term of 3 years.

Pursuant to the terms of the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders is deemed to be a “Permitted Bid”. A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for a minimum of 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the Rights Plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of Southern Arc at a significant discount to the market price of the common shares at that time. The Board is not currently aware of any pending or proposed take-over bid for Southern Arc.

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

“John Proust”

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.