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NEWS RELEASE

January 11, 2011

**SOUTHERN ARC REPORTS HIGH GRADE GOLD DRILL INTERCEPTS AT  
CENTRAL RAJA, PELANGAN PROSPECT, WEST LOMBOK PROPERTY**

**Vancouver, B.C.:** SOUTHERN ARC MINERALS (TSX Venture: SA) (“Southern Arc” or the “Company”) is pleased to announce results from its first two holes of the Phase 2 drilling program at the Central Raja target, Pelangan Prospect.

Drillholes PLD001 and PLD002 intersected the Central Raja gold-bearing epithermal breccia zone at depth below the earlier shallow Phase 1 drillhole RDG01. RDG01 had returned an intersection of 10.70 m (true width 6.8m) @ 2.93 g/t Au (including 4.70m (true width 2.7 m) @ 5.80 g/t Au) previously reported. These new holes targeted depths of 60 m and 120 m below the RDG01 interval.

PLD001 and PLD002 intersected the following mineralized intercepts:

**PLD001 4.85 m (true width 3.3m) @ 7.11 g/t Au 18.5 g/t Ag from 56.55 m  
(including 1.35 m (true width 0.9m) @ 16.67 g/t Au 17.0 g/t Ag from 56.55 m)**

*and*

**PLD002 17.25 m (true width 5.7m) @ 5.73 g/t Au 11.7 g/t Ag from 121.60 m  
(including 8.75 m (true width 2.9m) @ 10.51 g/t Au 20.7 g/t Ag)**

Results from PLD001 and PLD002 support the concept of increasing gold grade with depth in *Central Raja* and confirm the existence of high-grade shoots within the system. They also highlight the need for further extensive deeper drilling at Pelangan.

*“These initial results of Phase 2 drilling are very encouraging and highlight the significant gold potential not only at Pelangan, but also for the Mencanggah area. There, surface mapping and sampling of similar auriferous MSBs with an aggregate strike length in excess of 15 km have already identified a number of high priority drill-ready targets...”* commented CEO John Proust.

**Pelangan Prospect**

The Pelangan gold prospect is located in the northwest section of a 13 km long, northwest trending structural corridor of epithermal and porphyry mineralization. This district-scale field also includes the Company’s Selodong porphyry copper/gold prospect and the Mencanggah epithermal/porphyry prospect (*Figure 1*).

Surface mapping and shallow scout drilling at Pelangan defined extensive, structurally controlled, epithermal gold-bearing breccia zones (termed Mineralized Structural Breccia or “MSB”) occurring over an area of 3 by 2 km. Five major zones of mineralisation (Raja, Kayu Putih, Tanjung-Jati, Lala and Ratu) have been delineated, comprising an aggregate strike length of approximately 4.6 km.

Phase 1 scout drilling during 2006-07 (51 shallow drill holes, 3,762 m) tested an aggregate strike length of approximately 3.5 km. Results from central and southern zones of Raja (*Table 1 and Figure 2*), southern Kayu Putih and portions of Tanjung-Jati confirmed continuous of zones of gold mineralization over strike lengths up to 900 metres.

Phase 2 of drilling commenced in August 2008. This program was designed to test for down dip continuity of mineralization, sustained vein widths and the potential for higher grades at depth, (*Figure 3*). The Company is pleased to report very encouraging results from these first two holes on all three objectives.

The positions of the intersections in drill holes PLD001 and PLD002 are shown on the map (*Figure 2*), and in the long section presented in *Figure 3*. Host rocks for the gold mineralized breccias comprise chlorite altered volcanic breccias and variably altered phyrlic andesites.

Drilling has identified a ‘bonanza’ episode within the Central Raja MSBs, characterized by significantly higher gold-tenor (generally >10g/t), low silver/gold ratio, and specific vein textures. Such bonanza episodes can localize within the vein zone to form high-grade ‘ore-shoots’ which can add significant ounces to a deposit within relatively small areas.

The importance of such ore-shoots in epithermal systems are well illustrated by such examples as the ‘Crown Shoot’ from the Cracow Mine (Central Queensland, Australia: Newcrest Mining) where 400,000 oz Au were inferred from an approximate 200 by 300m area; similarly the ‘Royal Shoot’ at Cracow added a resource of 390,000 oz Au from an irregular 100 by 470m plunging elongate-shoot. An extraordinary example is from the Kencana K1 ore-body at Gosowong (North Maluku, Indonesia: Newcrest Mining) which contained 1.8 Moz gold from a roughly ovoid shaped 260 by 500m shoot, (information from Newcrest Mining Limited website).

Early recognition of ore-shoot controls such as structural intersections, favourable host lithologies, and distribution of high-grade surface material will aid in determining the 3-dimensional geometry and hence targeting of the bonanza-event within the mineralised structural breccias. Southern Arc will use this information to aggressively target and define potential ore-shoots with the aim of quickly developing the gold resources at Pelangan.

### **Qualified Person and Quality Control and Assurance**

The information in this release has been compiled under the supervision of Southern Arc’s Chief Geologist, Andrew Rowe B. App. Sc. Geology, MAusIMM. Mr. Rowe has over 18 years of international mineral exploration experience throughout SE and Central Asia and Australia. During this time he has held such positions as Chief Geologist – Feasibility Studies, Senior Geologist and Consulting Geologist. Mr. Rowe has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined in terms of NI 43-101.

All assaying of samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world’s largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System (LIMS) for sample tracking, quality control and reporting.

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

*“John Proust”*

Chairman and CEO

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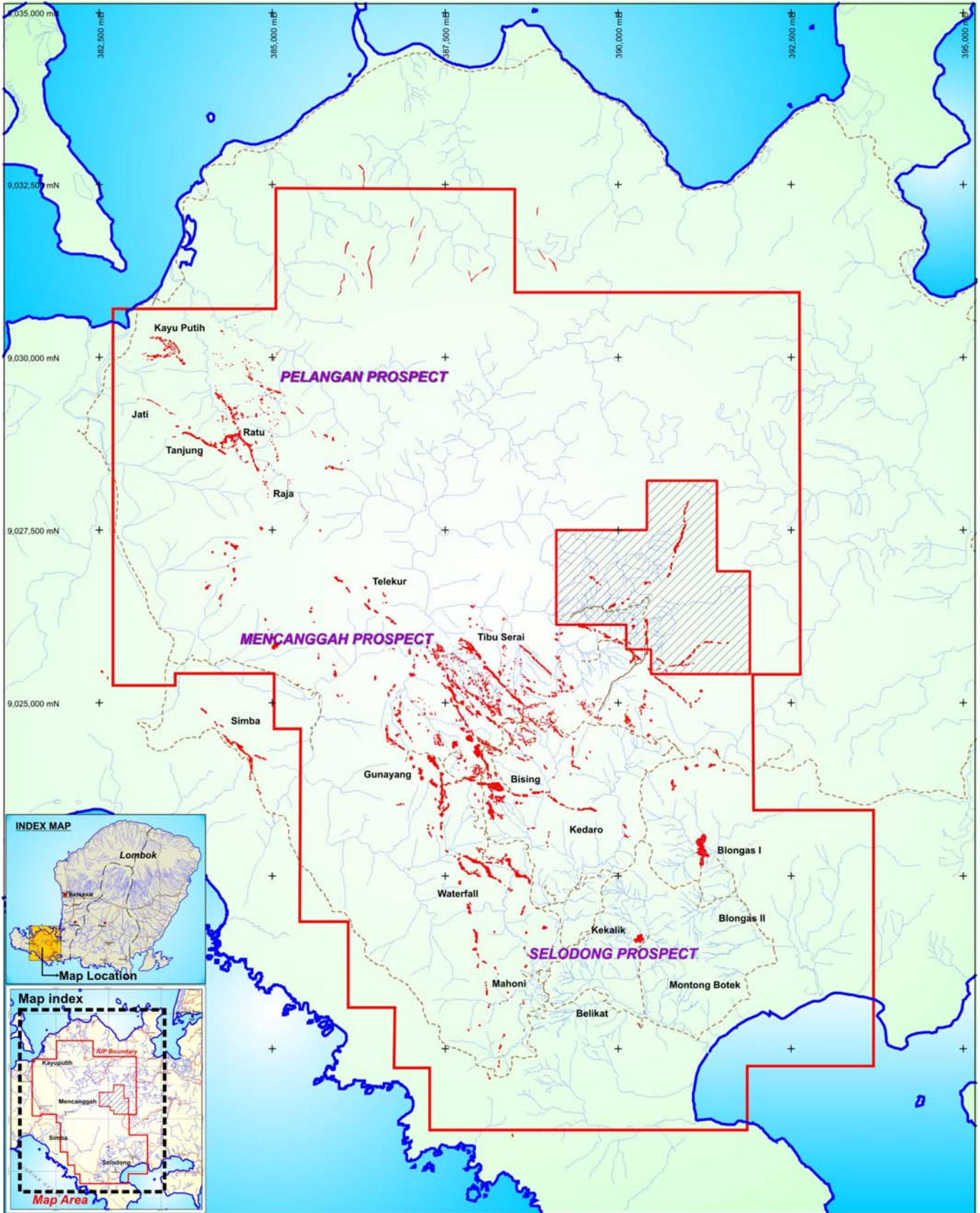
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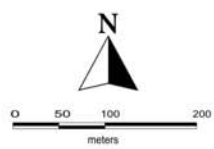
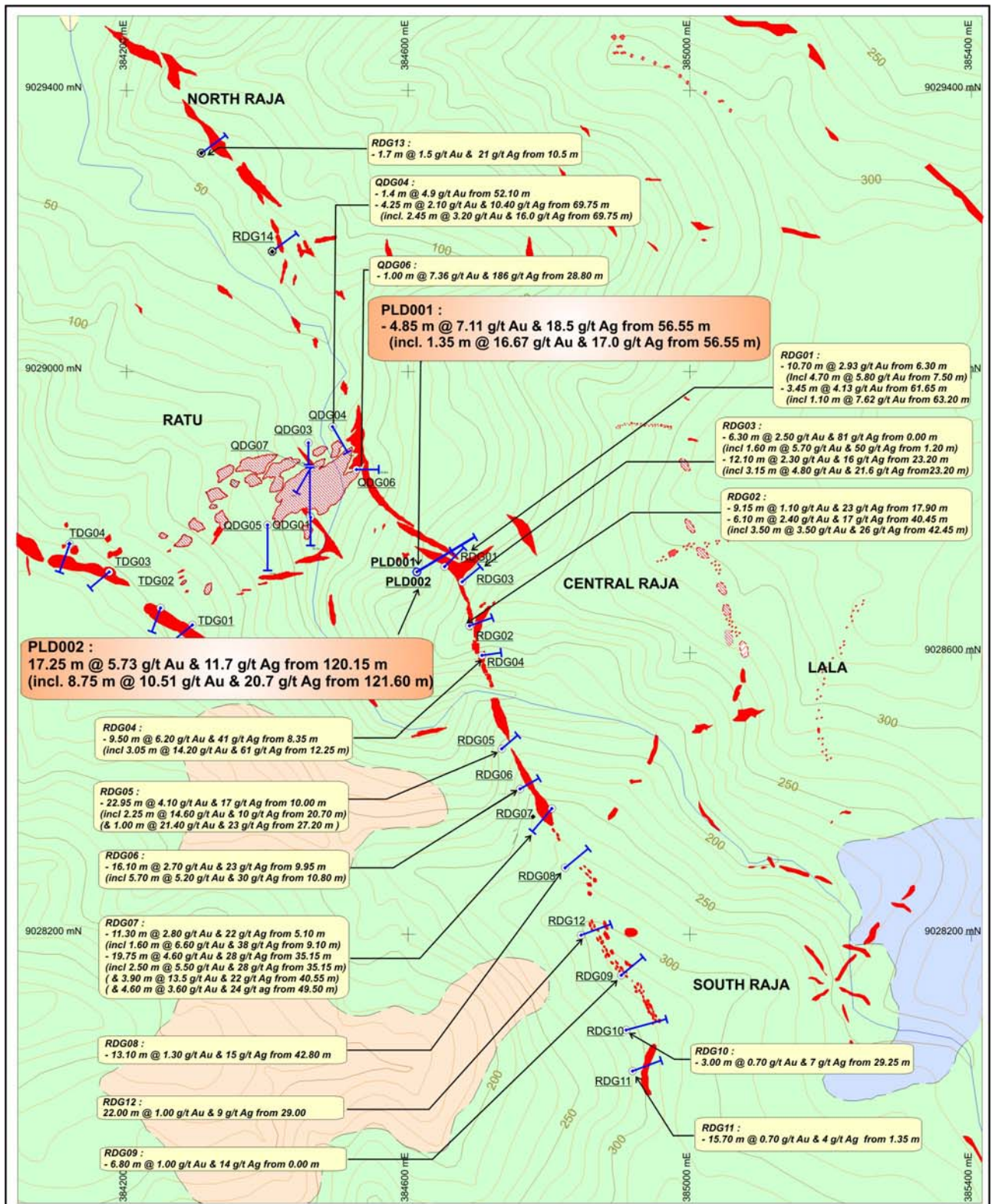
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process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the company's capability 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.

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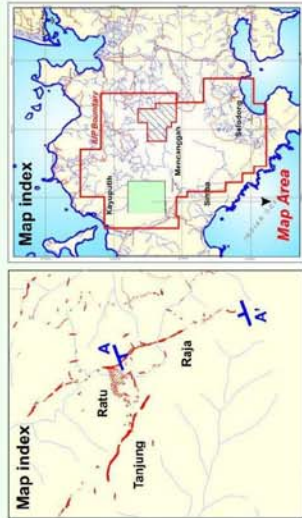
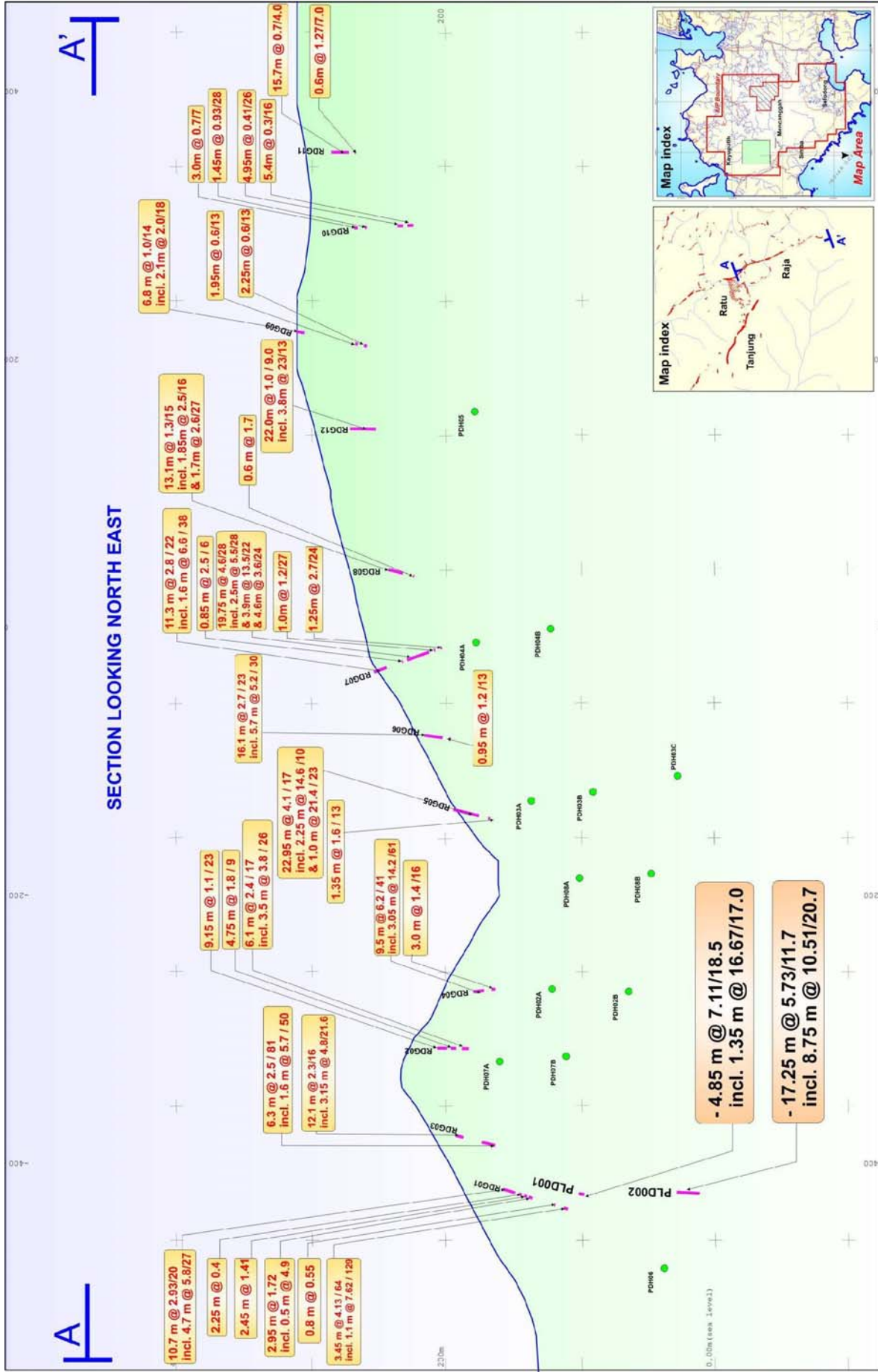


**Southern Arc Minerals Inc.**

South Lombok Project  
Pelangan Prospect  
Raja - Ratu- Lala MSB

**Significant Drill Intersections**

Figure 2 Jan 2011



**Southern Arc**  
MINERALS INC.

**South Lombok Project**  
Pelangan Prospect

**Raja MSB**  
Longitudinal Section  
with Drill Hole Intercepts

**Legend:**

- Mineralised Drill Intersection
- Significant Southern Arc Minerals Assay  
Result given as : meters @ Au g/t / Ag g/t

**Figure 3**

Scale: 1:2000

Proposed Drill Hole Phase 2.1 & 2.2

0 100m

FILE: Raja\_Longlac\_Profile

SHEET: 1 of 1

Jan 2011

**TABLE 1. PELANGAN PROSPECT – RAJA/RATU SIGNIFICANT DRILL INTERSECTIONS**

HOLE ID	Grid		RL (m)	Azimuth (....°)	Dip (....°)	Total Depth (m)	Interval (m)	SIGNIFICANT INTERSECTIONS (Au / Ag g/t)	True Width (m)
	Easting	Northing							
RDG01	384,633	9,028,725	208	45	-55	66.50	6.30 - 17.00 m	10.7 m @ 2.93 / 20	6.8
							(incl: 7.50 - 12.20 m)	4.7 m @ 5.8 / 27	2.7
							29.80 - 32.75 m	2.95 m @ 1.72	1.7
							(incl: 30.20 - 30.70 m)	0.5 m @ 4.9	0.3
							61.65 - 65.10 m	3.45 m @ 4.13 / 64	2.0
(incl: 63.20 - 64.00 m)	1.1 m @ 7.62 / 129	0.6							
RDG02	384,683	9,028,632	230	70	-55	59.70	17.90 - 27.05 m	9.15 m @ 1.1 / 23	5.3
							30.50 - 35.25 m	4.75 m @ 1.8 / 9	2.7
							40.45 - 46.55 m	6.1 m @ 2.4 / 17	3.5
							(incl: 42.45 - 45.95 m)	3.5 @ 3.8 / 26	2.0
RDG03	384,670	9,028,697	217	50	-55	58.80	0.00 - 6.30	6.3 m @ 2.5 / 81	3.6
							(incl: 1.20 - 2.80 m)	1.6 m @ 5.7 / 50	0.9
							23.20 - 35.30	12.1 m @ 2.3 / 16	6.9
							(incl: 23.20 - 26.35 m)	3.15 m @ 4.8 / 21.6	1.8
RDG04	384,690	9,028,591	202	82	-55	48.00	8.35 - 17.85 m	9.5 m @ 6.2 / 41	5.4
							(incl: 12.25 - 15.30 m)	3.05 m @ 14.2 / 61	1.7
							25.00 - 28.00 m	3 m @ 1.4 / 16	1.7
RDG05	384,733	9,028,459	205	50	-55	52.30	10.00 - 32.95	22.95 m @ 4.1 / 17	13.2
							(incl: 20.70 - 22.95 m,	2.25 m @ 14.6 / 10	1.3
							and 27.20 - 28.20 m)	1 m @ 21.4 / 23	0.6
RDG06	384,752	9,028,408	245	60	-55	53.70	9.95 - 26.05 m	16.1 m @ 2.7 / 23	9.2
							(incl: 10.80 - 16.50 m)	5.7 m @ 5.2 / 30	3.3
							5.10 - 16.40	11.3 m @ 2.8 / 22	6.4
RDG07	384,802	9,028,378	280	220	-55	74.10	(incl: 9.10 - 10.70 m)	1.6 m @ 6.6 / 38	0.9
							35.15 - 54.90 m	19.75 m @ 4.6 / 28	11.3
							(incl: 35.15 - 37.65 m,	2.5 m @ 5.5 / 28	1.4
							and 40.55 - 44.45 m,	3.9 m @ 13.5 / 22	2.3
							and 49.50 - 54.10 m)	4.6 m @ 3.6 / 24	2.7
							59.50 - 60.50 m	1 m @ 1.2 / 27	0.6
							65.35 - 66.60 m	1.25 m @ 2.7 / 24	0.7
RDG08	384,819	9,028,292	290	50	-55	75.20	42.80 - 55.90 m	13.1 m @ 1.3 / 15	7.5
							(incl: 49.05 - 50.90 m,	1.85 m @ 2.5 / 16	1.0

							and 53.10 - 54.80 m,				1.7 m @ 2.6 / 27	1.0	
RDG09													
	384903	9028142	327	50	-60	81		0	-	6.8	m	6.8 m @ 1.0 / 14	3.4
RDG12	384846	9028199	305	60	-60	90.1	29 51				22 m @ 1.0 / 9	11.0	
							(incl 47.2 51				incl. 3.8 m @ 2.3 / 13	1.9	
QDG01	384,460	9,028,795	113	360	50	107.15		3.05	-	4.20	m	1.15 m @ 1.4	0.7
QDG02	384465	9028795	113	180	-55	70.10	1.00 - 2.75 m				1.75 m @ 3.5	1.0	
							64.50 - 65.85 m				1.35 m @ 2.1	0.8	
QDG03	384,458	9,028,899	74	180	-55	54.50	42.55 - 44.10 m				1.55 m @ 1.9	0.9	
QDG04	384,492	9,028,922	78	150	-55	74.00	51.25 - 54.95 m				3.7 m @ 2.3	2.1	
							(incl 52.10 - 53.50 m)				1.4 m @ 4.9	0.8	
							69.75 - 74.00 m				4.25 m @ 2.1 / 10.4	2.4	
							(incl 69.75 - 72.20 m)				2.45 m @ 3.2 / 16	1.4	
QDG06	384,526	9,028,861	99	90	-55	55.60	28.80 - 29.80 m				1 m @ 7.36 / 186	0.5	