

## PRESS RELEASE

### For Immediate Release

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#### **Southern Arc Minerals Inc. Announces Equity Offering Of Up To \$20 Million**

**Vancouver, British Columbia – February 7, 2011** – Southern Arc Minerals Inc. (TSXV:SA) (the “**Company**”) today announced that it has entered into an agreement with Mackie Research Capital Corporation to act as lead agent in a syndicate of agents (the “**Agents**”) whereby the Agents will market on an overnight best-efforts basis up to 12,500,000 common shares of the Company (the “**Common Shares**”) at a price of \$1.60 per Common Share (the “**Offering Price**”), for gross proceeds to the Company of up to \$20,000,000 (the “**Offering**”).

The Offering will take place by way of a private placement to qualified investors in such provinces of Canada as the Agents may designate, and otherwise in those jurisdictions where the Offering can lawfully be made, including the United States and Europe under applicable private placement exemptions.

The Offering is scheduled to close on or about February 23, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange. The securities to be issued under the Offering will have a hold period of four months from closing.

The proceeds received by the Company from the sale of the Common Shares will be used by the Company for the ongoing exploration and development of its mineral properties and for general corporate purposes.

In consideration for their services, the Agents will receive a cash commission of 6% of the gross proceeds of the Offering and non-transferable common share purchase warrants equal to 6% of the Common Shares issued pursuant to the Offering.

The securities offered have not been registered under the *U.S. Securities Act of 1933*, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**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.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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