

**PELANGAN PHASE 2 DRILLING UPDATE AND MOBILIZATION OF DRILL RIGS FOR  
MENCANGGAH PHASE 1 PROGRAM**

**Vancouver, B.C.:** Southern Arc Minerals Inc. (TSX Venture: SA) (“Southern Arc” or the “Company”) is pleased to announce that after a hiatus of more than two and a half years, Phase 2 drilling activities are underway at the Pelangan Epithermal Au-Ag Prospect, located in the northwest section of the Company’s West Lombok property in Indonesia. Drilling is progressing well with the completion of hole PLD004, and with three deeper holes (PLD003, PLD005 & PLD006) currently in progress.

An additional three (3) drill rigs, capable of coring to depths of 400-700 metres, have been mobilized to the Mencanggah Epithermal/Porphyry Prospect. These rigs will immediately be tasked to commence Phase 1 drilling.

Supported by the recent \$28.3 million equity financing, the 2011 West Lombok drilling program is fully funded. Over the next 12 months, the Company plans on completing more than 25,000 metres of diamond drilling into epithermal targets at Pelangan and Mencanggah. The field budget for this drilling program is US\$6.4 million in the first 12 months, US\$16.4 million over a 24 month period.

The diamond drilling program at Pelangan holds the objective of producing an NI43-101 compliant resource estimate within 12 months. The Mencanggah program holds the objective of producing an NI43-101 compliant resource estimate within 18 months.

**Pelangan**

As reported on March 1, the initial focus of Phase 2 drilling at Pelangan is to target high-grade Au+Ag shoots along the 1 kilometre strike zone at Central and South Raja (**Figure 1**). The presence of such shoots are suggested by a high-grade quartz episode within the Mineralized Structural Breccias (steeply dipping silica ledges cut by epithermal quartz veins and breccias, or MSBs) and increasing gold grade with depth (holes PLD001 and PLD002). Delayed by heavy and unseasonal rainfall, drilling began on March 27.

Drill hole PLD004 tested the down dip extension of RDG04 (9.5m @ 6.21 g/t Au and 41 g/t Ag, (including 3.05m @ 14.2 g/t Au and 61 g/t Ag)). This hole was completed at its intended depth of 150.0 metres on April 1. MSBs were intersected from 78.6m confirming an 85 degree dip of the structure. A steeper drill hole, PLD006, is being drilled from the same pad as PLD004 along the same section to intersect the MSB at approximately 50 metres below the PLD004 intercept.

Drill holes PLD003 and PLD005, currently underway, are targeting the Raja MSB structure along strike to the northwest. PLD003 is being drilled to test for continuity of the Raja MSB structure at approximately 150 metres down dip from the intersection in PLD002. PLD005 is targeting the MSB approximately 60 metres below the intercept from QDG06 (1.0m @ 7.36 g/t Au and 186 g/t Ag). Following completion of these two holes, the rigs will be situated to target the MSB on adjacent sections along strike at initial minimum 100 m spacing along strike. Infill drilling between the initial fences will be determined by assessment of results as drilling proceeds. Additional rigs will be mobilized as warranted throughout the drilling program.

The Raja MSB structure is just one of five major zones of mineralisation delineated at Pelangan, comprising an aggregate strike length of approximately 4.6 km, all five of which are targeted for inclusion in the current 12 month drilling program.

**Mencanggah**

Phase 1 drilling at Mencanggah (**Figure 2**) will test a large number of MSB targets at shallow depths (approximately 50 metres below surface). These targets have been prioritized based on detailed geological mapping and geochemical sampling. Surface prospecting and mapping have defined the extent of epithermal quartz veining over a broad area (6.5 km long by up to 4.5 km wide, including an aggregate proven strike length of more than 15 km), along with the presence of potential copper-gold porphyry style targets.

For more information about Southern Arc, please refer to the Company website at:

<http://www.southernarcminerals.com>

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

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Chairman and CEO

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# Raja MSB Phase 2 Drilling Program



