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**NEWS RELEASE**

**June 21, 2011**

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IN THE UNITED STATES

**Vancouver, B.C.:** Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSXV: SA) is pleased to announce that it has completed a private placement of 10,670,770 common shares at a price of \$1.70 per share for gross proceeds of \$18,140,309. The sole purchaser of the common shares was Tadeen Cyprus Holdings Limited (“Tadeen Cyprus”), a company duly incorporated in the Republic of Cyprus and a wholly owned subsidiary of Qatar Mining Company (“Qatar Mining”), a company established by the State of Qatar.

The proceeds of this private placement will be used to advance the Company’s mineral properties in Indonesia and for general corporate purposes.

In connection with the private placement, the Company paid finders fees of \$1,088,418 in cash and issued 640,246 finder warrants. Each finder warrant is exercisable into one common share of the Company at an exercise price of \$1.70 per common share for a period of 12 months from June 21, 2011. The private placement shares and the finder warrants are subject to a hold period expiring October 22, 2011.

This investment represents a 9.99% interest in Southern Arc and Tadeen Cyprus has requested and been granted the right to maintain a 9.99% interest in the Company.

In connection with the private placement, the Company is pleased to announce that Mr. Mohammed Al-Shahwani, Director of Tadeen Cyprus and Chief Executive Officer of Qatar Mining will be nominated for election to the Company’s Board of Directors. This nomination will be put forth and recommended by Management at a shareholders meeting to be called by Southern Arc within 30 days from June 21, 2011. The notice will specify the meeting date.

**Tadeen Cyprus and Qatar Mining**

Qatar Mining, the sole shareholder of Tadeen Cyprus, is wholly owned by the State of Qatar and was established in late 2010 to undertake targeted investments in the mining and metals sector. Tadeen Cyprus and Qatar Mining seek to develop strategic joint venture partnerships with recognized leading companies in key commodities.

**About Mr. Al-Shahwani**

Mr. Al-Shahwani Director of Tadeen Cyprus, was appointed Chief Executive Officer for Qatar Mining in September 2010. Mr. Al Shahwani studied in the U.K. where he earned a B.Sc. and an MBA and began his career in the oil and gas sector with Qatar Petroleum Company (QP) where he was involved in major projects both in Qatar and around the world. During this time, he was also seconded for a period to Occidental Petroleum Corporation (OXY).

Following a successful tenure at QP, Mr. Al-Shahwani moved to Qatari Diar Real Estate Investments Company, a global real estate development and investment company, where he served as senior advisor to the Group CEO, and Group Director for Procurement & Contracts. During this time, Mr. Al-Shahwani served as a director on the boards of a number of companies for Qatari Diar: in Turkey, Syria and Morocco.

Mr. Al-Shahwani comments on the new relationship with Southern Arc:

*“Southern Arc is a leading mineral explorer in Indonesia. Its team has a tremendous reputation in the region. Our view of Southern Arc is further supported by its joint ventures with leading international mining companies like Vale S.A. and Newcrest Mining Ltd. This investment in Southern Arc is important to us and represents an excellent opportunity for Tadeen Cyprus and Qatar Mining in highly prospective areas of Indonesia. We look forward to working closely with Southern Arc’s team and further advancing the company’s position as one of the leading explorers in Indonesia.”*

In turn, John Proust, Chairman and CEO of Southern Arc notes:

*“We are very pleased to welcome Tadeen Cyprus as a new shareholder and to announce Mr. Al-Shahwani as a nominee to our Board of Directors. Southern Arc holds a diversified portfolio of highly prospective properties and has an exceptionally qualified exploration team. We recognize the importance of ‘big picture’ relationships to our success in Indonesia. We continue to build this company, always on the lookout for new opportunities and dedicated to forging relationships with people of the highest calibre. This initiative is a wonderful reflection of that focus.”*

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

*“John G. Proust”*  
Chairman and CEO

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