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NEWS RELEASE

November 30, 2012

Southern Arc First Quarter Financial Results and Projects Update

November 30, 2012 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF) (“Southern Arc” or “the Company”) today announced the results of its first quarter ended September 30, 2012, along with an update on its portfolio of projects. Details of the Company’s financial results are described in the unaudited condensed consolidated interim financial statements and Management’s Discussion and Analysis (“MD&A”), which will be available on the Company’s website at www.southernarcminerals.com and on SEDAR at www.sedar.com. All amounts are in Canadian dollars unless otherwise stated.

HIGHLIGHTS

- \$18.0 million in working capital
- *Pinjam Pakai* Ministry of Forestry permit received for West Lombok property
- Board of Directors conducting a strategic review of the Company’s properties and corporate strategy

FINANCIAL SNAPSHOT

	September 30, 2012	June 30, 2012
Total assets	\$ 60,231,920	\$ 60,884,512
Exploration properties	38,808,405	37,430,624
Working capital	19,027,865	21,035,112
Comprehensive loss	(757,053)	(4,312,411)
Basic and diluted loss per share	(0.01)	(0.04)

EXPLORATION UPDATE AND OUTLOOK

Strategic Review

The Company’s Board of Directors is conducting a strategic review of all of the Company’s properties in Indonesia and has delayed further exploration pending completion of this review, which is expected to be completed by December 14, 2012.

West Lombok Property (Lombok Island)

The West Lombok Project covers a 13 km by 7 km structural corridor of mineralization and alteration hosting porphyry copper-gold and epithermal gold deposits. The two main epithermal prospects on the property, Pelangan and Mencanggih, cover broad areas of 4 km by 5 km and 6.5 km by 4.5 km, respectively, that host numerous structurally-controlled silica ledges variably overprinted by high-grade quartz veins and breccias. Individual tabular ledge bodies range in thickness from 2 to 66 metres, with a strike length of up to 1,000 metres and a vertical extent of greater than 300 metres. Southern Arc has completed 22,243.3 metres of drilling to date on epithermal gold mineralization, confirming high-grade events typical of epithermal boiling zones and identifying several high-grade shoots. In addition, the Company has completed an airborne geophysical survey of the West Lombok project at 50-metre spacings to define both near-surface and buried copper-gold porphyry targets. Industry experts including Dr. Steve Garwin, Southern Arc’s Senior Technical Advisor, modelled and

interpreted the results of the survey in conjunction with the Company's geological and geochemistry database, and identified 17 porphyry targets on the property. A number of the targets have already had a limited amount of drill testing that demonstrated host zones of high-grade gold-rich porphyry copper mineralization, supporting the outcome of the prospectivity analysis.

On November 20, 2012, Southern Arc announced that the required forestry permit, known as a *Pinjam Pakai* (borrow to use) permit, has been received. While awaiting receipt of the permit Southern Arc has continued to work closely with SRK Consulting (Canada) Inc., an internationally renowned, independent consulting service to major, intermediate and junior mining and exploration companies, and has prepared a detailed drill program for epithermal gold targets within the Pelangan and Mencanggih prospects. The Company has postponed any further exploration at the West Lombok property, however, pending completion of the Board of Directors' strategic review.

During calendar 2012, prior to receipt of the *Pinjam Pakai* permit, Southern Arc drilled a total of 3,501.5 metres in areas with no forestry designation that did not require Ministry of Forestry approval, completing 14 drill holes in the northwest section of the property focused on epithermal gold mineralization and two holes in the southeast section of the property focused on porphyry copper-gold mineralization. Surface mapping and channel sampling continued on the West Lombok property throughout the year. Encouraging assay results from continuous rock chip channels collected across the strike of mineralized structural breccias have been received from a number of Pelangan and Mencanggih prospect localities.

Sabalong Property (Sumbawa Island)

Southern Arc is the operator of the Sabalong property, which has until recently been advanced with a wholly-owned subsidiary of Vale under an option and joint venture agreement. In July 2012, the Company and Vale announced that they had completed Phase 1 exploration work on the Sabalong property. Southern Arc and Vale completed three diamond drill holes at the Sabalong property (totaling 1,811 metres) to test potential porphyry intrusive targets that had been defined by geophysical surveys. Drilling intersected weakly altered intrusions and volcanics with no significant porphyry copper mineralization. With Phase 1 exploration complete, Vale elected not to proceed to Phase 2 and withdrew from the Sabalong project.

Southern Arc now holds a 100% economic interest in the Sabalong project and between July and September 2012 completed a six-hole drill program totaling 1,035.6 metres to test epithermal gold vein targets in the Toyang prospect as defined by historical Newmont (1986–92), Rio Tinto Zinc ("RTZ") (1993–98) and Company (2007–present) exploration work. While a number of the holes revealed mineralized intervals similar in scale and tenor to historical RTZ results, Southern Arc's drilling failed to demonstrate any increase in grade or width with depth, and did not establish lateral extension of the mineralization. The Company has not planned any follow-up drilling at this time, and is considering future options for the Sabalong property.

East Elang Property (Sumbawa Island)

Vale remains a committed partner at the East Elang project. Under the terms of the October 2010 Option and Joint Venture Agreement, Vale can earn a 75% interest in the East Elang property by advancing the property to bankable feasibility study, with a minimum Phase 1 expenditure of US\$1.2 million within one year from the date on which Southern Arc receives a Ministry of Forestry *Pinjam Pakai* permit for the property.

The East Elang property is located adjacent to Newmont's Elang copper-gold deposit. Aerial photography and lithographical studies suggest that the Elang mineralized structure extends onto Southern Arc's East Elang property. While the property is considered highly prospective due to its location and results from aerial surveys, exploration of this property has been deferred pending reclassification of the property's forestry status. Application has been made to the Regency authorities for suspension (back-dated for two years) of the mining business license ("IUP") license until the reclassification process has been completed, ensuring that Southern Arc and Vale have adequate time to evaluate the property once exploration commences.

Taliwang Property (Sumbawa Island)

Located adjacent to Newmont's world-class Batu Hijau copper-gold mine, the Taliwang property covers 31,200 hectares prospective for gold, silver and copper mineralization. Exploration to date has identified a gold-silver bearing epithermal vein system in which 56 drill holes have confirmed both lateral and vertical persistence of the mineralized structures, near-surface porphyry copper-gold targets with associated surface high-sulphidation epithermal signatures, and sedimentary gold-hosted targets. Surface exploration activities during 2011 focused on detailed lithological and alteration mapping of epithermal and porphyry prospect areas, as well as clay spectral analysis studies.

The Company does not have any exploration activities planned for Taliwang at this time and is assessing its options for the property, including whether to sell or joint venture the property.

Other properties

Southern Arc is actively pursuing a number of acquisition and partnership opportunities with the objective of adding value for shareholders by expanding the Company's project portfolio.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

During the three-month period ended September 30, 2012, the Company had a loss of \$757,053 compared to a loss of \$285,270 for the three-month period ended September 30, 2011. Significant fluctuations occurred in the following categories:

- a) Share-based compensation of \$93,491 (2011: \$98,270) decreased due to lower calculated cost for options granted during the period. Share-based compensation expense is accounted for at fair value as determined by the Black-Scholes Option Pricing Model using estimates that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and the risk-free interest rate.
- b) Consulting fees of \$nil (2011: \$36,963) decreased due to a lower level of exploration activity; more consultants were engaged during the previous period.
- c) Foreign exchange loss of \$128,524 was realized during the three-month period ended September 30, 2012 (2011: \$341,642 gain) primarily due to the effect the fluctuation of the US\$/CDN\$ exchange rate had on the Canadian equivalent of the Company's holdings and transactions in its US\$ bank balance and US\$ payables balance.
- d) Management fees increased to \$216,000 compared to \$141,000 in 2011 and are discussed in detail in the Related Parties section.
- e) Professional fees of \$47,977 (2011: \$66,778) decreased due to lower corporate activity in the period.
- f) Travel expenses of \$nil (2011: \$48,700) decreased as a result of a reduction in executive travel during the period.
- g) Interest income of \$56,327 (2011: \$91,339) decreased during the period as a result of lower cash balances.
- h) During the three-month period ended September 30, 2012, the Company invested \$1,563,999 (2011: \$3,322,226) on exploration properties and \$nil on property, plant and equipment (2011: \$82,281).

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

"John Proust"

Chairman & CEO, Director

About Southern Arc

Southern Arc Minerals Inc. is a Canadian mineral exploration company focused on gold and copper-gold exploration. The Company's portfolio includes four exploration projects with epithermal gold and copper-gold porphyry prospects on the Lombok and Sumbawa islands in Indonesia, one of which is being advanced in partnership with Vale S.A. The Company's key exploration property is its West Lombok project, with several gold-rich copper porphyry and epithermal gold vein prospects. Southern Arc is listed on the TSX Venture Exchange under the symbol SA and on the OTCQX International under the symbol SOACF. More information is available at www.southernarcminerals.com or by emailing info@southernarcminerals.com.

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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.

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.

Qualified Person

The technical information in this document has been reviewed by Southern Arc's Executive Vice President, Andrew Rowe, B. App. Sc. Geology, MAusIMM. Mr. Rowe has over 18 years of international mineral exploration experience throughout Southeast and Central Asia and Australia. During this time he has held such positions as Principal Geologist – Feasibility Studies, Senior Geologist and Consulting Geologist. The technical information in this document has also been reviewed by Southern Arc's President & Chief Operating Officer, Dr. Mike Andrews, PhD, FAusIMM, who has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.