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NEWS RELEASE

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Southern Arc Announces Sale of Taliwang Project

December 21, 2012 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF) (“Southern Arc” or “the Company”) today announced that the Company has, subject to certain conditions, agreed to sell its interest in the Taliwang project in return for cash and shares in the acquiring company, thereby retaining upside potential and financial flexibility for Southern Arc shareholders as the new owner advances its portfolio of projects.

Southern Arc’s 90% share in the Taliwang project (remaining 10% held by the West Sumbawa Regency Government) will be sold to Coke Resources Limited (“Coke”). In consideration for Coke purchasing 90% of the Taliwang project, Southern Arc will receive US\$500,000 and 15 million shares of Coke. The transaction is contingent on Coke completing its initial public offering on the Australian Stock Exchange. Coke anticipates issuing up to 21,000,000 shares at A\$0.20 per share. With 15 million shares, Southern Arc will own approximately 8% of the company. The shares will be held in escrow for a period of six months from the date Coke lists on the Australian Stock Exchange, after which Southern Arc may freely trade the shares.

Taliwang will be one of two projects in Coke Resources’ portfolio. Coke Resources is an Australian-based exploration company founded in February 2011 to pursue opportunities in Indonesia’s mining sector. Coke’s Board of Directors and senior executives have a broad range of expertise in the minerals exploration industry, with extensive experience and business relationships in Indonesia. The company’s PT Cristian Eka Pratama (“Cristian”) project is a long-life thermal coal project with established infrastructure in place, located 15km from the Mahakam River in East Kalimantan on Borneo Island, Indonesia.

“On December 13 Southern Arc’s Board of Directors announced the conditional acceptance of an offer for the Taliwang project,” said John Proust, Chairman and Chief Executive Officer of Southern Arc. “This arrangement with Coke Resources meets our objectives of increasing the Company’s treasury and allowing Southern Arc to focus its time and resources on its priority projects.

“Southern Arc’s investment in Coke Resources brings new opportunities to the Company,” continued Mr. Proust. “Through Coke Resources we have exposure to two promising projects. We look forward to seeing progress at both the Taliwang and Cristian projects, yet have maintained financial flexibility for Southern Arc’s shareholders with a liquid, public-company investment.”

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

“John Proust”

Chairman & Chief Executive Officer

About Southern Arc

Southern Arc Minerals Inc. is a Canadian mineral exploration company focused on gold and copper-gold exploration. 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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