Southern Arc MINERALS INC.

TSX-V: SA
OTCQX: SOACF

No. 12-01 **NEWS RELEASE** **January 18, 2012**

Southern Arc Provides Drilling Results from Waterfall Target, Mencanggah Prospect

January 18, 2012 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF) ("Southern Arc" or "the Company") is pleased to provide final results from Phase 1 drilling at the Waterfall Target in the Mencanggah Prospect on Southern Arc's West Lombok Property in Indonesia.

Final assay results have been received for the Phase 1 Waterfall target drill holes MCG003 to MCG027, as summarized in Table 1 and Figure 1. All intersections are reported as down-hole lengths. At Waterfall, 27 drill holes totalling 6,634 meters have been completed. Drilling tested outcrops of banded and brecciated epithermal chalcedonic-quartz veins for the presence of high-grade shoots at depth. These results confirm multiple vein zones at Waterfall, with the highlight intersections being:

MCG016	4.75m @ 15.6 g/t gold and 15 g/t silver from 168.50m Including 2.0m @ 36.1 g/t gold and 31 g/t silver from 169.70m
MCG006	1.6m @ 11.0 g/t gold and 2.6 g/t silver from 122.35m

Along the 2 kilometers of cumulative vein strike drill tested at Waterfall, best results appear to be localized on sections of the vein that strike north-northwest, which is the prominent structural control for gold mineralization throughout the property. Results from MCG001, MCG006 and MCG016 show significantly higher tenor supporting this concept. At least three north-northwest trending vein segments remain under tested for potential high-grade shoot development and will require more in-fill drilling.

Results from Waterfall confirm the presence of discrete high-grade shoots developed within the West Lombok epithermal systems. These results will be further interpreted and ranked with results from the other Mencanggah and Pelangan targets for future drilling. The decision to initiate Phase 1 exploration at the Waterfall target, rather than higher priority targets such as Bising and Tibu Serai, was a strategic decision as the Company worked to establish a strong corporate and security presence in the region.

The Company currently has two rigs drilling on the Jati and Tanjung targets on the Pelangan prospect, where previous exploration identified a continuous 1.5km-long mineralized epithermal breccia hosting at least one high-grade lode structure. Previous drilling intersections include 10.05m @ 13.4 g/t gold and 8 g/t silver (TGD-02), 9.2m @ 5.9 g/t gold and 11 g/t silver (JDG-03) and 26.2m @ 4.2 g/t gold (including 3.45m @ 12.3 g/t gold: PLD-027).

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 with an aggressive exploration, acquisition and growth strategy. The Company's portfolio includes four exploration projects with epithermal gold and gold-copper porphyry prospects on the Lombok and Sumbawa islands in Indonesia, three of which are being advanced in partnership with major mining companies Vale and Newcrest. 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.

Southern Arc Contact

Rhylin Bailie
Vice President, Communications & Investor Relations
North American toll-free: 1-855-676-5241
Phone: 604-676-5241
Email: info@southernarcminerals.com

Qualified Person

The technical information in this document has been reviewed by Southern Arc's Chief Geologist, 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 Chief 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.

The drill program and sampling protocol is managed by Southern Arc under the supervision of Andrew Rowe. The diamond drill holes are drilled at PQ, HQ and NQ sizes depending on hole depth and core recovery to date has averaged 98.0%. Half core is cut by rock saw and is generally sampled using nominal 1-metre intervals; however, sample intervals are varied according to geological contacts and have ranged between 0.2 to 2.5 metres in length. Three quality control samples (one blank and two standards) are inserted into each batch of 40 samples. The half core samples are securely transported from the project site to the Intertek Testing Services ("ITS") sample preparation laboratory in Sumbawa Besar via private truck hired by Southern Arc. Sample pulps are then sent to the ITS Jakarta laboratory by ITS. Gold is analysed by fire assay with AAS finish and a four-acid digestion with ICP-MS finish is used to analyse a full suite of elements including silver and base metals. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System for sample tracking, quality control and reporting.

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, the need to obtain permits, the need to work with local communities and authorities to advance the properties, 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 ability 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.

Table 1 – Mencanggah Prospect, Waterfall Target Phase 1 Drill Hole Summary (as at January 15, 2012)

Drill Hole	Target	Depth	Coordinates		Az	Dip	From	To	Interval	Gold	Silver
		(m)	E	N			(m)	(m)	(m)	(g/t)	(g/t)
MCG001	Waterfall	288.30	388177.0	9022741.0	210	-50	257.50	259.80	2.30	4.0	176.7
Including							259.00	259.80	0.80	7.6	412.0
MCG002	Waterfall	138.30	388026.6	9022819.6	210	-55	118.70	120.70	2.00	5.2	10.5
Including							118.70	118.90	0.20	9.8	3.0
MCG003	Waterfall	316.60	387905.0	9022620.6	30	-50	221.90	222.20	0.30	1.6	1.0
MCG004	Waterfall	358.70	387838.1	9022677.3	30	-60	115.90	117.20	1.30	3.8	1.5
MCG005	Waterfall	256.80	387980.4	9022611.3	30	-60	74.30	75.30	1.00	1.2	2.5
							77.15	78.00	0.85	3.3	4.7
							229.00	230.00	1.00	1.4	3.3
MCG006	Waterfall	178.50	388063.4	9022543.1	30	-50	102.00	106.40	4.40	1.1	1.3
							122.35	123.95	1.60	11.0	2.6
MCG007	Waterfall	190.50	387903.4	9022618.8	210	-50	*No Significant Result*				
MCG008	Waterfall	50.00	388114.0	9022438.0	30	-45	*Hole abandoned at 50 m due to collapse*				
MCG009	Waterfall	165.00	387836.0	9022673.6	210	-60	84.10	85.50	1.40	2.4	3.1
							95.90	96.20	0.30	3.4	22.0
							98.40	98.70	0.30	1.5	2.5
							112.40	112.80	0.40	2.1	4.4
MCG010	Waterfall	203.30	387979.2	9022609.5	210	-70	111.05	112.00	0.95	1.5	9.2
							118.85	119.60	0.75	3.0	10.8
							131.90	132.90	1.00	1.7	7.0
							169.85	170.85	1.00	1.0	2.0
MCG011	Waterfall	149.00	387766.3	9022714.8	210	-70	41.00	41.80	0.80	1.5	6.1
MCG012	Waterfall	252.00	387631.1	9022695.5	30	-45	*No Significant Result*				
MCG013	Waterfall	262.50	388062.7	9022542.3	0	-90	*No Significant Result*				
MCG014	Waterfall	275.90	388116.2	9022445.3	30	-50	125.85	126.35	0.50	1.3	7.9
							260.90	261.70	0.80	1.2	2.4
							265.70	268.35	2.65	1.0	4.7
MCG015	Waterfall	400.80	387758.2	9022556.0	30	-55	16.00	18.00	2.00	1.8	1.3
							48.55	49.06	1.05	1.5	4.5
							313.00	313.70	0.70	1.2	4.1
							363.00	363.95	0.95	1.4	10.4
MCG016	Waterfall	393.30	387686.6	9022604.1	30	-50	160.15	161.00	0.85	1.4	3.8
							168.50	173.25	4.75	15.6	15.1
Including							169.7	171.7	2.0	36.1	30.6
							179.55	180.40	0.85	1.1	7.1
							182.40	183.45	1.05	2.0	8.8
							184.90	185.50	0.60	1.8	6.8
							188.45	189.20	0.75	1.7	25.6

							209.30 371.10	210.20 373.35	0.90 2.25	2.2 1.0	19.4 7.6
MCG017	Waterfall	264.10	388060.8	9022539.1	210	-70	79.20	79.60	0.40	1.8	34.2
MCG018	Waterfall	236.45	387768.4	9022718.0	30	-50	*No Significant Result*				
MCG019	Waterfall	196.50	387547.4	9022750.9	30	-50	*No Significant Result*				
MCG020	Waterfall	327.00	388211.5	9022415.8	30	-50	122.60 150.90	124.50 151.90	1.90 1.00	1.5 1.9	6.5 4.4
MCG021	Waterfall	195.60	388265.4	9022369.7	30	-50	98.00	100.00	2.00	2.4	35.6
MCG022	Waterfall	292.00	388367.4	9022291.5	70	-60	*No Significant Result*				
MCG023	Waterfall	312.80	388286.8	9022633.1	15	-50	*No Significant Result*				
MCG024	Waterfall	259.50	387481.8	9022793.7	30	-50	215.60 224.90	217.6 228.70	2.00 3.80	1.7 1.0	4.8 4.1
MCG025	Waterfall	225.00	387820.0	9022436.5	250	-55	*No Significant Result*				
MCG026	Waterfall	241.40	388356.2	9022650.6	30	-50	107.90	109.40	1.50	1.1	7.0
MCG027	Waterfall	240.10	388517.1	9022426.9	30	-50	*No Significant Result*				

Figure 1 – Mencanggah Prospect, Waterfall Target Phase 1 Drilling