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NEWS RELEASE

March 2, 2012

Newcrest Mining Limited Not To Proceed With Taliwang Property Agreement

March 2, 2012 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF) (“Southern Arc” or “the Company”) today announced that Newcrest Mining Limited (“Newcrest”) has notified Southern Arc that it will not be proceeding with the definitive agreement contemplated by the Heads of Agreement signed by the parties on November 19, 2010. Despite best efforts by Southern Arc and Newcrest, certain conditions precedent under the non-binding Heads of Agreement could not be met in the required timeframe, and accordingly the Heads of Agreement lapsed.

The 31,200 hectare Taliwang property is prospective for gold, silver and copper with three main prospects: a 1km x 1.5km gold-silver bearing epithermal vein system confirmed by 56 drill holes; a 5km-long NE trending high-sulphidation alteration zone, paralleling the Batu Hijau mineralized trend; and sedimentary gold-hosted targets.

**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 with an aggressive exploration, acquisition and growth strategy. The Company’s portfolio includes four exploration projects with epithermal gold and copper-gold porphyry prospects on the Lombok and Sumbawa islands in Indonesia, two of which are 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

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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 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.