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NEWS RELEASE

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Southern Arc Reports Sabalong Drill Results

October 29, 2012 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF) (“Southern Arc” or “the Company”) today provided an update on recent drilling activities at its Sabalong property.

Based on encouraging historical surface and subsurface work at the Sabalong property by Newmont (1986–92), Rio Tinto Zinc (“RTZ”) (1993–98) and Southern Arc (2007–present), Southern Arc decided to drill test a number of mineralized zones delineated within the upper parts of the Toyang epithermal gold vein system. Six holes totaling 1,035.6 metres (Table 1, Figure 1) were drilled with the objective of reconfirming historical RTZ drill intercepts, checking lateral extensions of these intercepts and testing subsurface potential of other mineralized surface quartz veining and breccia-like pipe bodies.

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.

Drill intercepts of note were:

- DDG01: 75.9 m @ 0.70 g/t gold and 3.8 g/t silver from 1.50 metres
(incl. 1.0 m @ 18.4 g/t gold and 35.0 g/t silver from 65.95 metres)
- DDG03: 33.5 m @ 0.53 g/t gold and 4.4 g/t silver from 6.2 metres
(incl. 0.6 m @ 3.70 g/t gold and 10.3 g/t silver from 39.10 metres)
- DDH04: 2.05 m @ 1.21 g/t gold and 4.5 g/t silver from 22.30 metres

**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 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.

Qualified Person Statement

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.

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 98.5%. Half core is cut by rock saw and is generally sampled according to geological contacts ranging 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 analyzed by fire assay with AAS finish and a four-acid digestion with ICP-MS finish is used to analyze a full suite of elements including silver and base metals.

For surface rock samples, standard sampling procedures involved removal of any obvious surface weathering and/or organic matter, followed by the collection of a representative sample of the inferred mineralized rock material. Continuous 1–3 metre outcrop channel samples were oriented perpendicular to any obvious mineralized structure and a continuous channel of HQ/NQ core proportions using either a rock chisel and hammer or Stihl TS50 rock saw was collected. Emphasis was placed on collecting a uniform representative sample over the channel width to avoid sample bias. Sample intervals were selected using geological boundaries. Standard reference check samples along with blanks were submitted into the sample stream to approximate one check sample per 25 rock samples. The rock samples were securely transported from the project site to the ITS sample preparation laboratory in Sumbawa Besar via a Southern Arc vehicle. Sample pulps were sent to the ITS Jakarta laboratory by ITS. Gold was analyzed by fire assay with AAS finish and a four-acid digestion with AAS finish to analyze a full suite of elements including silver and base metal.

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.

Table 1 – Sabalong Project, Toyang Prospect – Phase 1 Drill Hole Statistics Summary

Drill Hole	Target	Depth (m)	Coordinates		Az	Dip	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
			E	N							
DDG01	<i>Gempang Budi</i>	172.30	556653	9032982	90	-50	1.50	77.40	75.90	0.7	3.8
							incl. 47.55	72.00	24.45	1.3	4.7
							incl. 49.25	49.65	0.40	5.6	5.9
							incl. 65.95	66.95	1.00	18.4	35.0
DDG02	<i>Gempang Budi</i>	148.70	556554	9032964	90	-50	<i>No Significant Result</i>				
DDG03	<i>Gempang Budi</i>	140.20	556670	9033137	90	-50	6.20	39.70	33.5	0.53	4.4
							incl. 8.20	10.20	2.0	1.20	9.5
							incl. 39.10	39.70	0.6	3.70	10.3
DDG04	<i>Gempang Budi</i>	176.70	556852	9033166	90	-50	4.50	6.55	2.05	1.21	4.5
							21.90	34.10	12.20	0.42	1.6
DDG05	<i>Lebangkang</i>	206.50	558555	9034348	160	-50	<i>No Significant Result</i>				
DDG06	<i>Lebangkang</i>	191.20	558467	9034287	140	-50	<i>No Significant Result</i>				

Figure 1 – Sabalong Project, Toyang Prospect – Phase 1 Drill Hole Statistics Summary

