



Southern Arc

MINERALS INC.

September 2011

Bringing Exceptional Management
and Exploration Expertise to a
Proven Mineral Environment

SouthernArcMinerals.com

TSX-V: SA

Cautionary Note

Some of the statements contained in this presentation are forward-looking statements, such as estimates and statements that describe future plans, objectives or goals, including words to the effect that Southern Arc Minerals Inc. implies a stated condition or that it forecasts certain results could occur. Because forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, reserves, resources, results of exploration, reclamation and other post-closure costs, capital costs and mine production costs could differ materially from those currently forecast in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, changes in demand and prices for the minerals, litigation, legislative, environmental and other judicial, regulatory, technological and operational difficulties encountered in connection with mining activities, labour relations matters, costs and changing foreign exchange rates. This list is not exhaustive of the factors that may affect any of forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Southern Arc Minerals Inc. statements.

Drilling information in this presentation has been compiled under the supervision of Southern Arc's Chief Geologist, Andrew Rowe B. App. Sc. Geology, MAusIMM. Mr. Rowe has over 18 years of international mineral exploration experience throughout SE and Central Asia and Australia. During this time he has held such positions as Chief Geologist – Feasibility Studies, Senior Geologist and Consulting Geologist. Mr. Rowe has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined in terms of National Instrument 43-101. All assaying of samples was undertaken by the ITS laboratory in Jakarta. 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 (LIMS) for sample tracking, quality control and reporting.

- One of first exploration companies to re-enter Indonesia
 - Highly mineralized but underexplored region
- Aggressive exploration at four gold and copper-gold properties
 - Excellent drill results showing district-scale potential
 - Two NI 43-101 resource estimates targeted for first half of 2012
- Well financed with strong partnerships
 - \$35M of cash at Q2-2011
 - Agreements with Vale S.A. and Newcrest Mining on three properties
- Highly experienced team with decades of Indonesian involvement

Share Structure

Shares	Options	Warrants	Fully Diluted
106,964,510	7,700,000	1,704,571	116,369,081

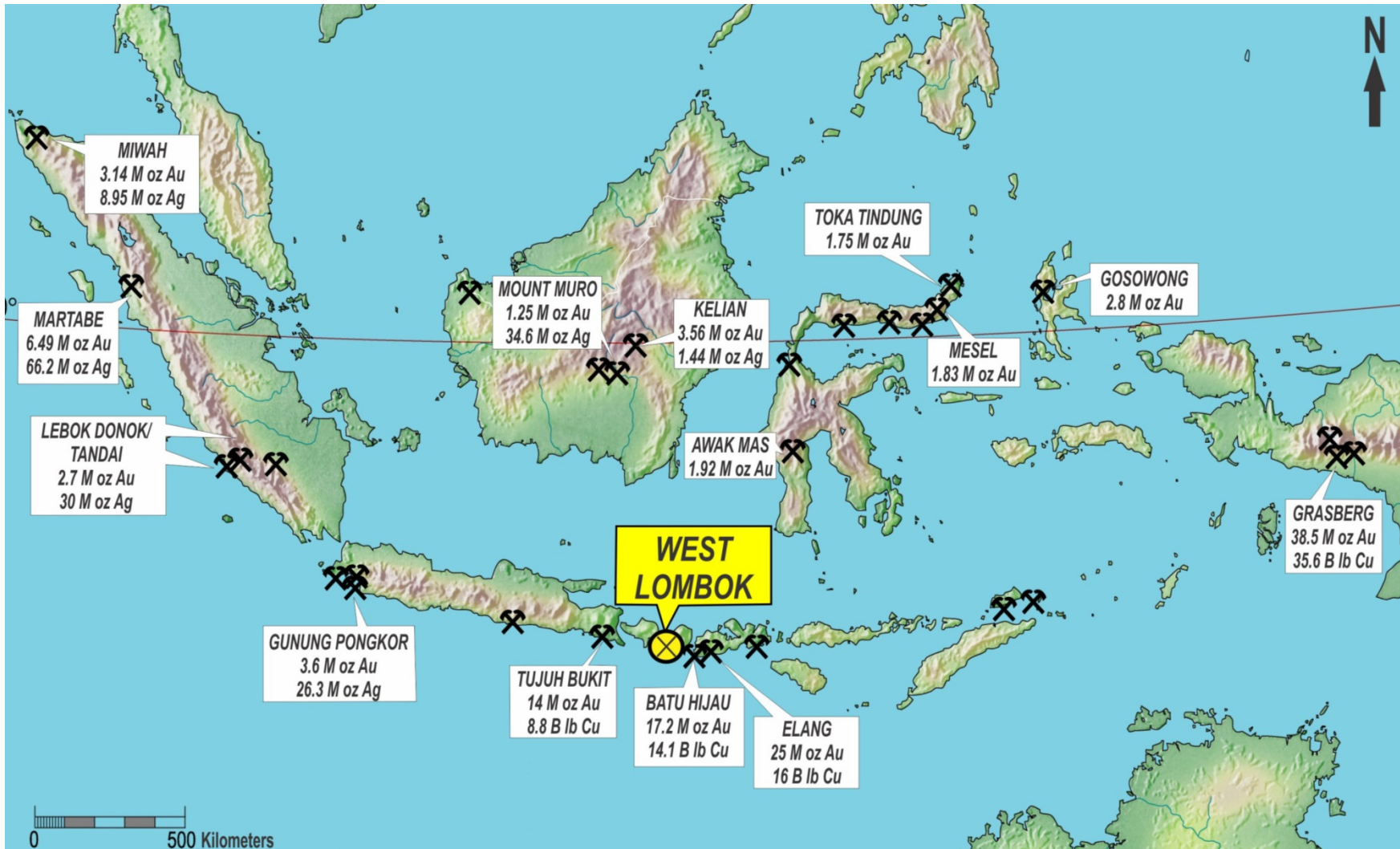
- Management and insiders hold 10%
- Well financed with ~\$35 million and no debt
- Market cap ~ \$110 million (September 15, 2011)

- Leverage experience and knowledge to make strategic acquisitions and build in-country relationships
- Aggressive, targeted exploration programs through to resource definition
- Strategic partnerships with major mining companies to advance properties toward production
 - Reduce development risk, financing obligations
 - Retain significant ownership position to participate as property advances, fund further exploration

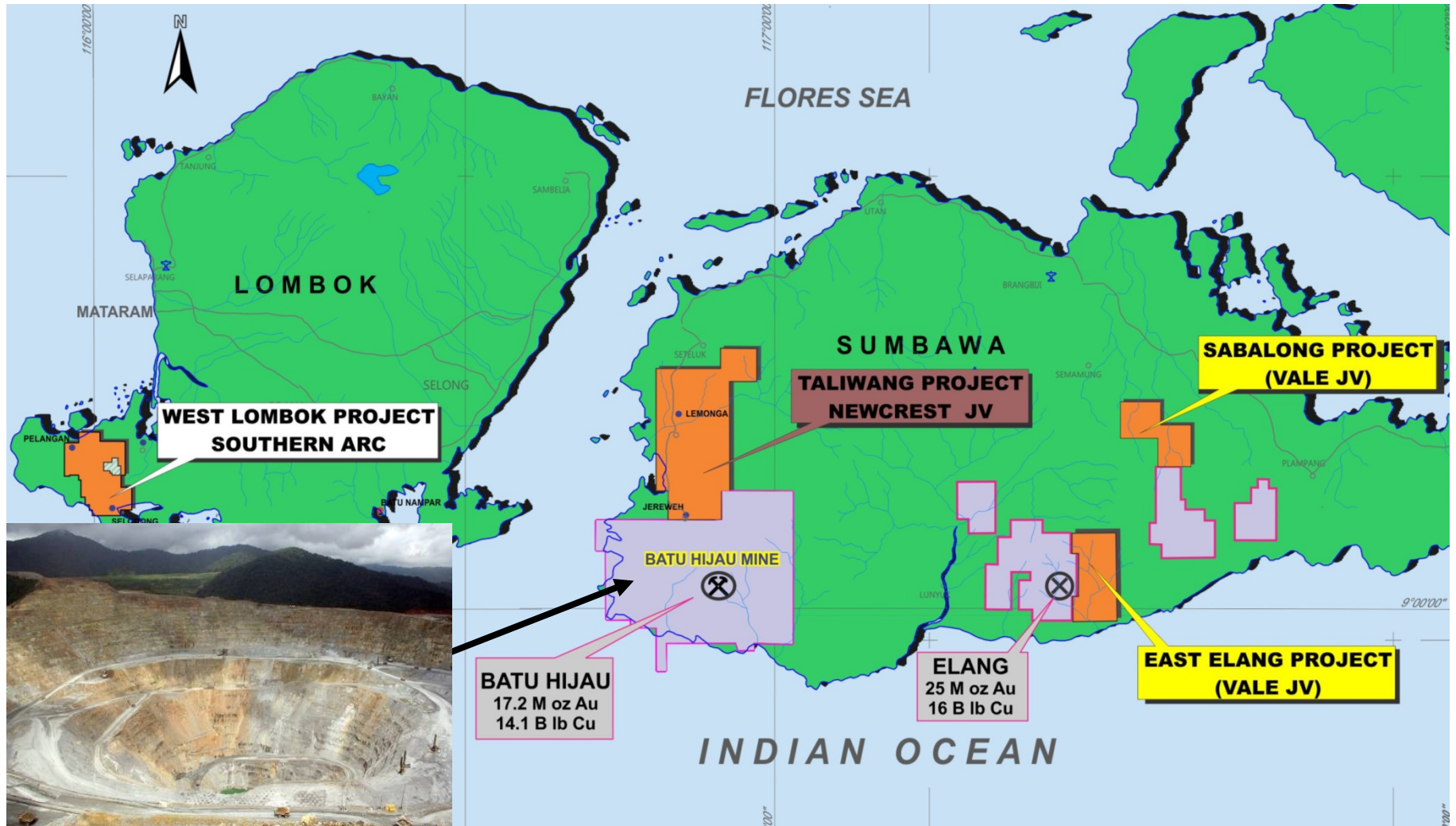
Why Indonesia?

- Underexplored region with highly prospective geology
 - Ranked among top six countries in the world for geological prospectivity
 - Numerous high-quality gold and copper-gold deposits and producing mines
- Cost-effective environment with good infrastructure, climate, terrain
- Supportive government
 - New mining regulations in 2010 encourage mineral development and foreign investment, streamline permitting process

Indonesia's Main Deposits & Mines



Southern Arc's Properties



West Lombok

85% Southern Arc

10% Indonesian Regency Government

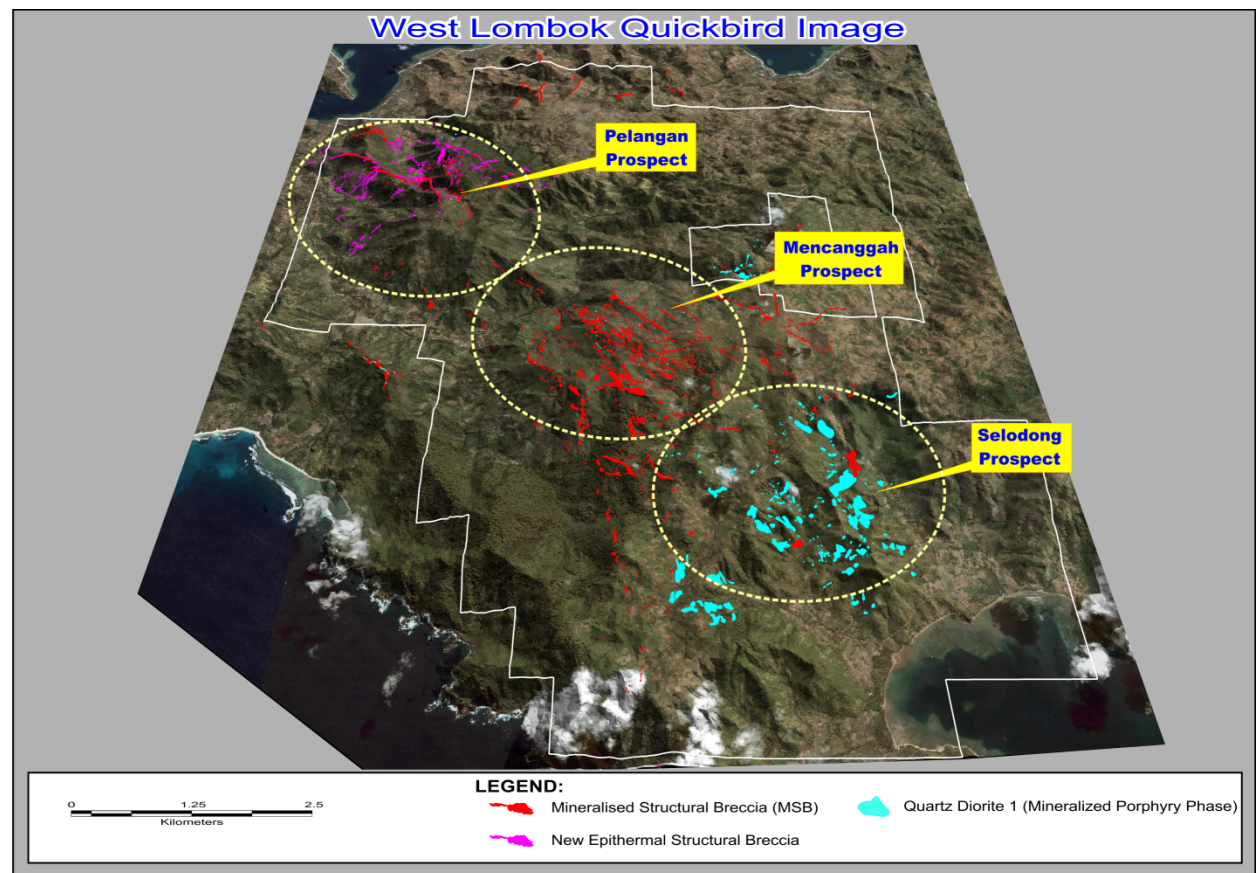
5% Indonesian Partner

13km by 7km structural corridor of mineralization

- Deforested grassland
- Accessible by road
- Newmont identified gold epithermal and copper-gold porphyry mineralization



West Lombok property



21km Cumulative Strike of Mineralized Structural Breccia (MSB) Further 9.6km of structural breccias identified

Pelangan

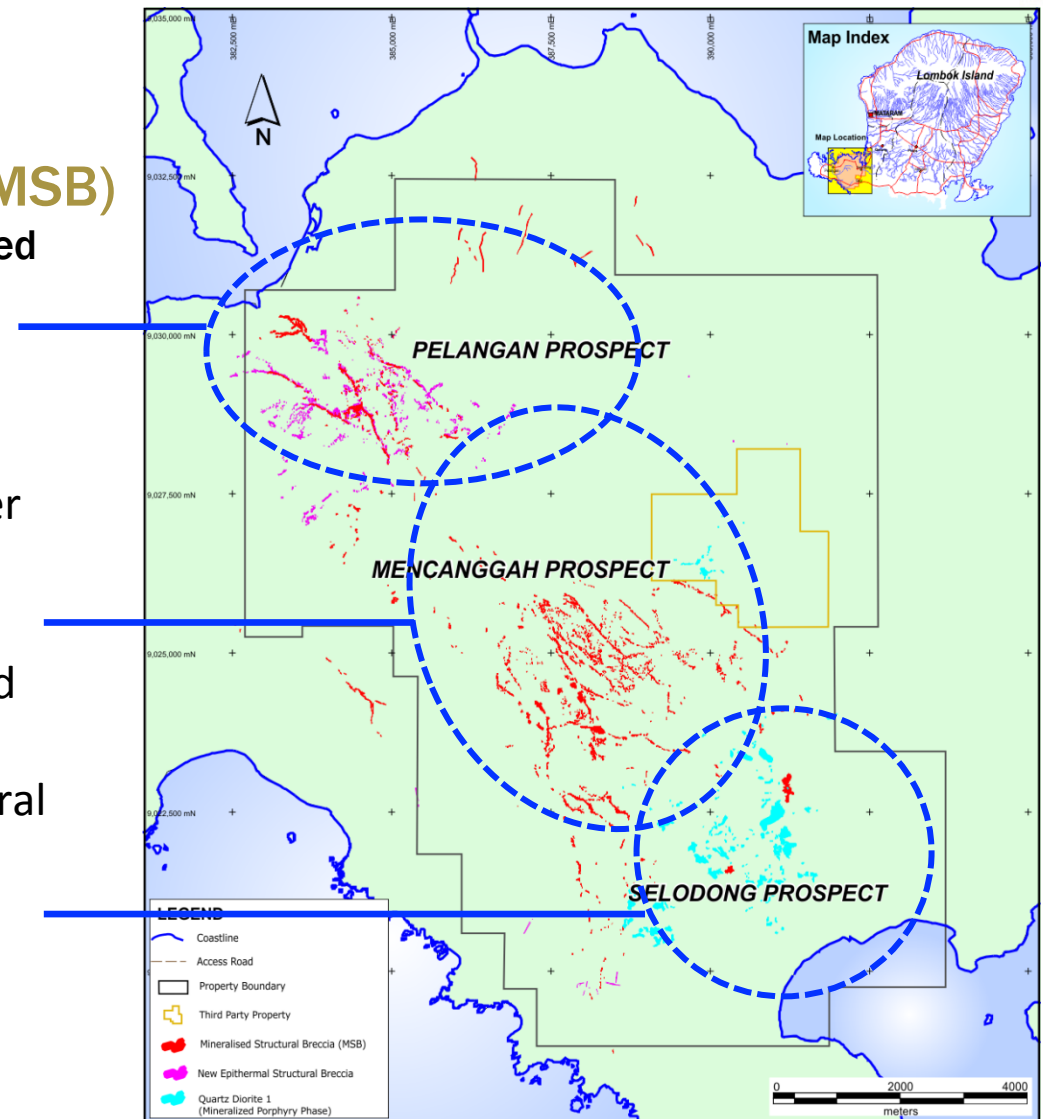
- Epithermal Au-Ag quartz vein MSB mineralization
- 5km cumulative strike of MSBs, further 4.6km of structural breccias identified

Mencanggah

- Epithermal Au-Ag quartz vein MSB and porphyry Cu-Au mineralization
- 16km of MSBs, further 5km of structural breccias identified

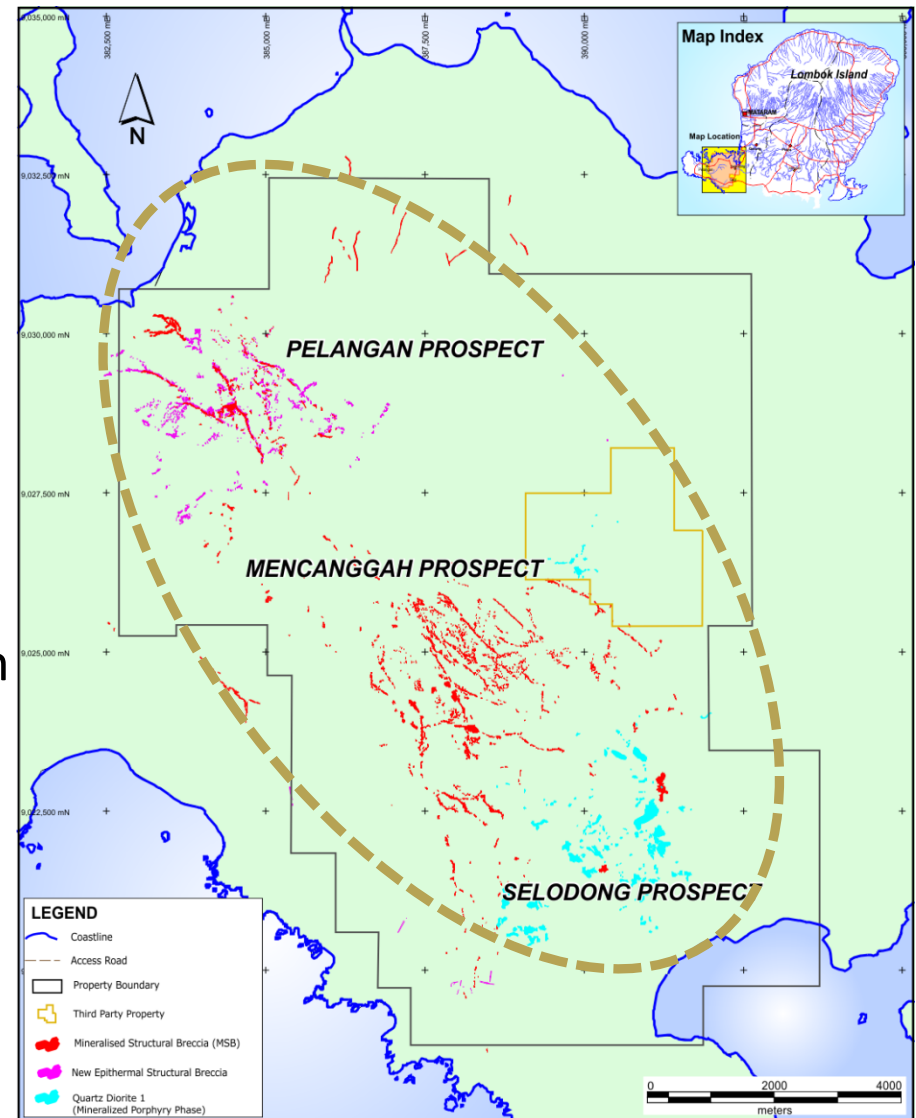
Selodong

- Porphyry Cu-Au mineralization

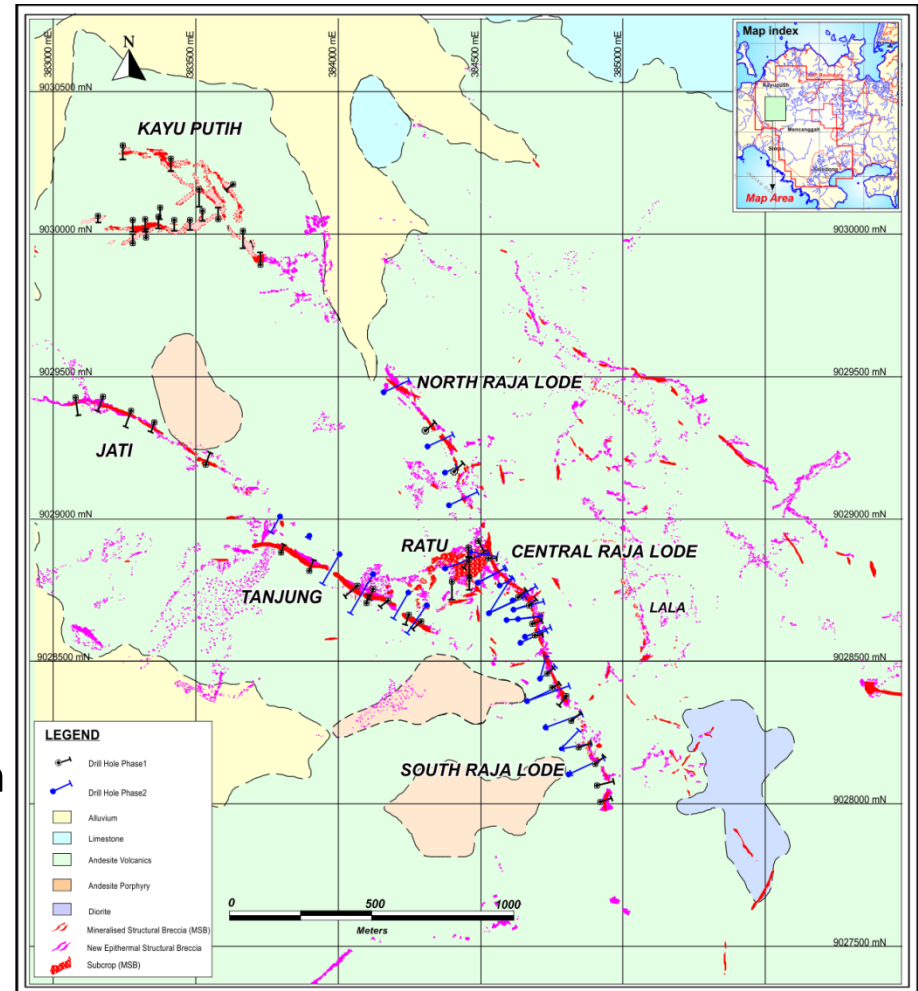


Corridor of Mineralization

- 17,859m of Phase 1 drilling completed at Selodong
- 29,500m of drilling at Pelangan and Mencanggih commenced Q2-2011
- Surface mapping to determine continuity of mineralized corridor between Pelangan and Mencanggih
- Airborne geophysical survey to further delineate porphyry targets, completed with data now being modeled

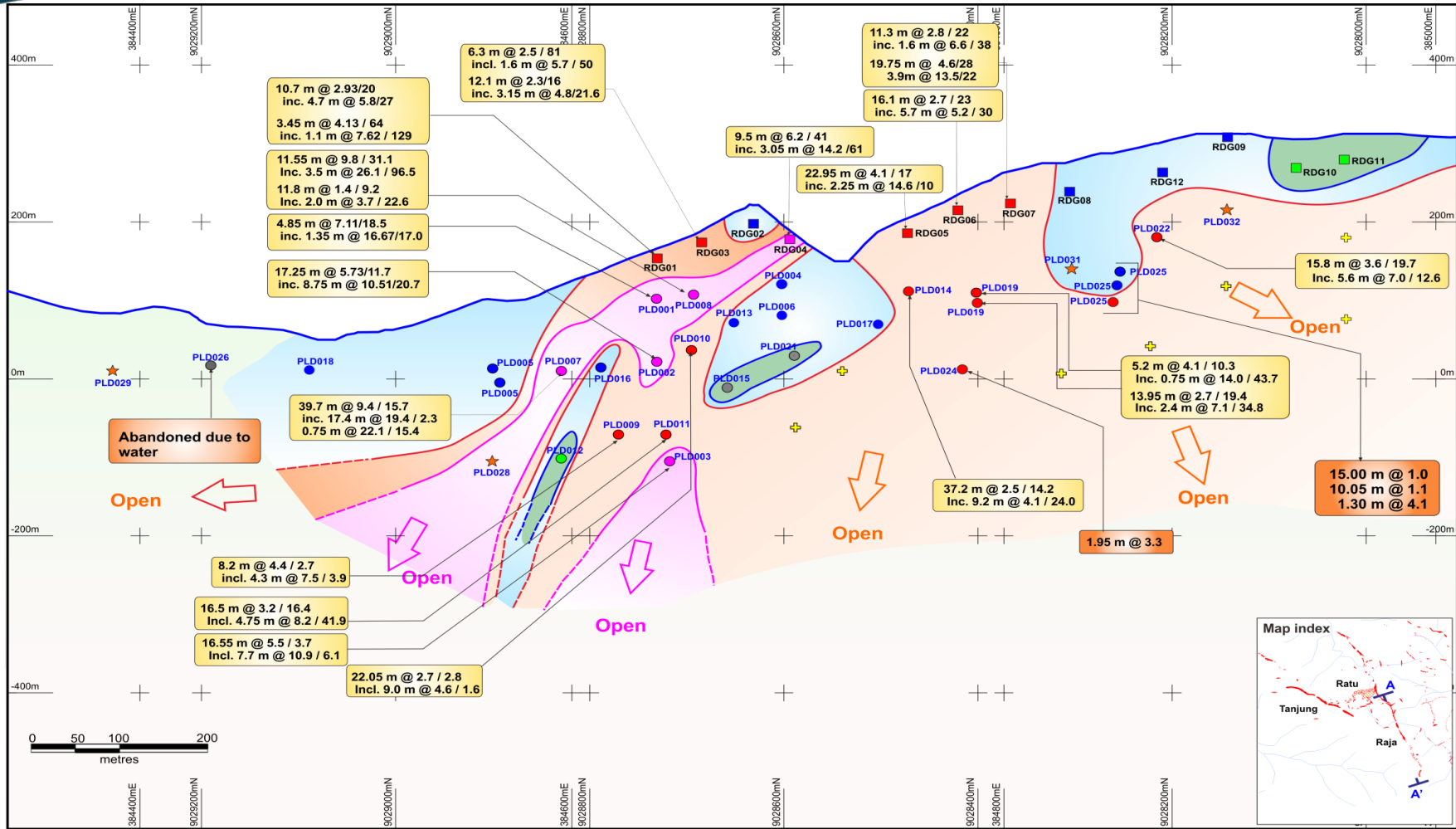


- 5km cumulative strike length of epithermal Au-bearing mineralization outcropping at surface
- 4,130m Phase 1 drilling, including **10m @ 13.4 g/t Au** and **17m @ 5.73 g/t Au**¹
- 7,014m of Phase 2 drilling completed suggests epithermal boiling zones within system, significant-grade intersections including **17.4m @ 19.4 g/t Au**¹, additional drilling planned for 2011 and 2012
- Step-out exploration testing high-grade ore shoot development, strike length and depth of Au-Ag mineralization
- NI 43-101 compliant resource estimate in first half of 2012

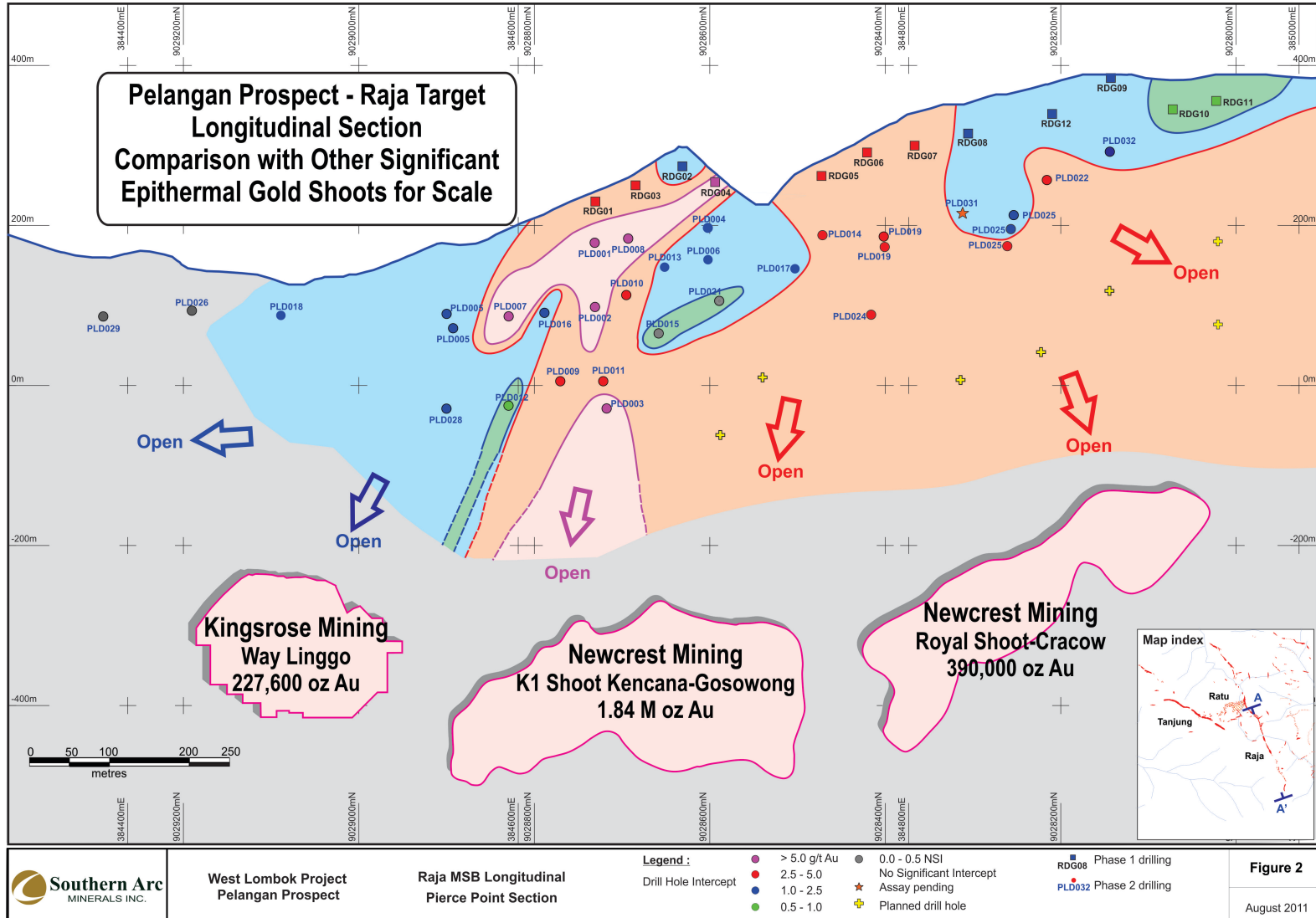


1. See Significant Drill Results and Cautionary Note.

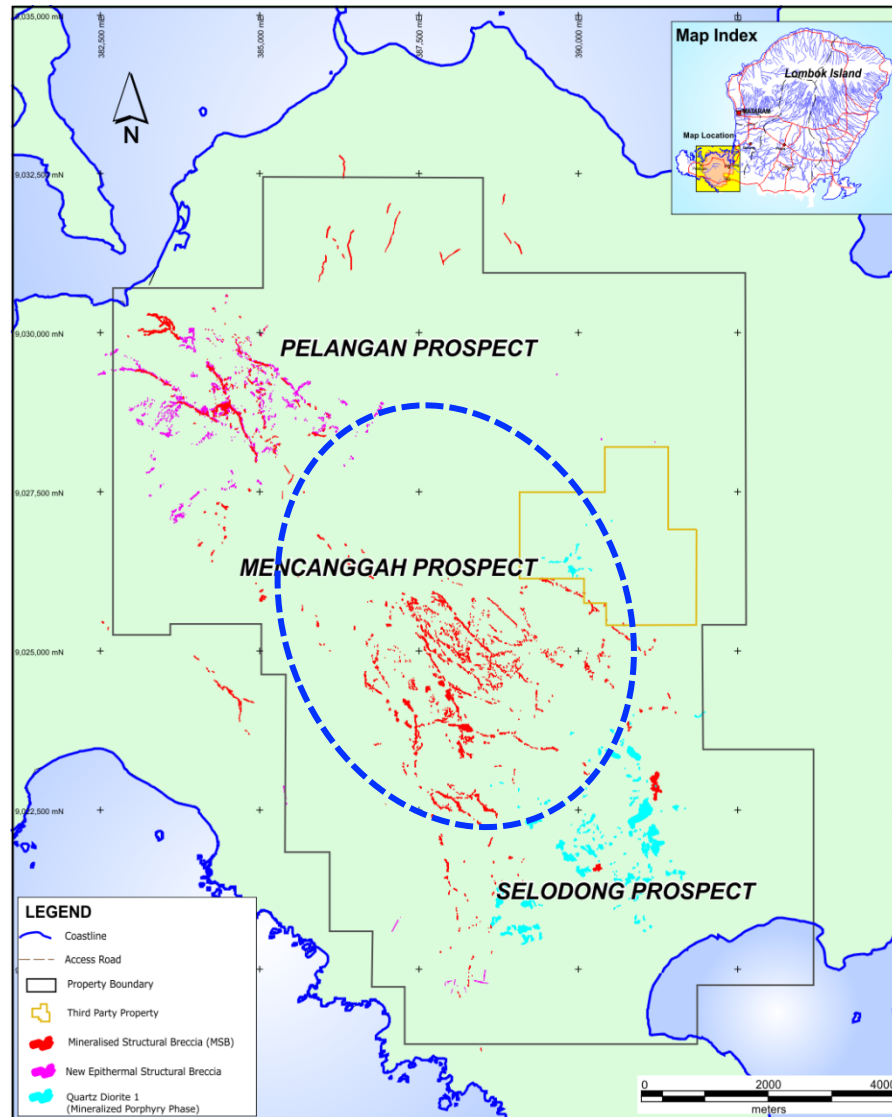
Pelangan Prospect, Raja Target, Long-section Projection of Drill Hole Mineralized Intervals



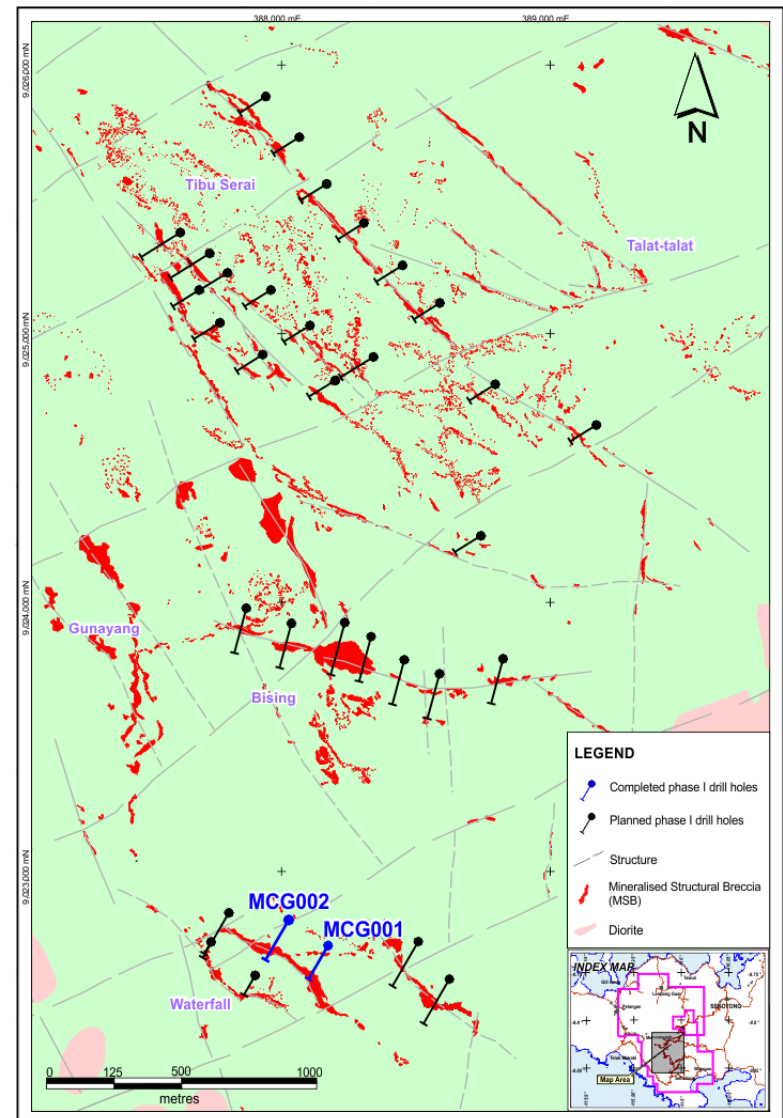
	West Lombok Project Pelangan Prospect	Raja MSB Longitudinal Pierce Point Section	Legend :		● > 5.0 g/t Au	● 0.0 - 0.5 NSI	■ Phase 1 drilling	Figure 2 August 2011
			● 2.5 - 5.0	● No Significant Intercept	■ Phase 2 drilling			
			● 1.0 - 2.5	★ Assay pending				
			● 0.5 - 1.0	+ Planned drill hole				



Mencanggah Prospect

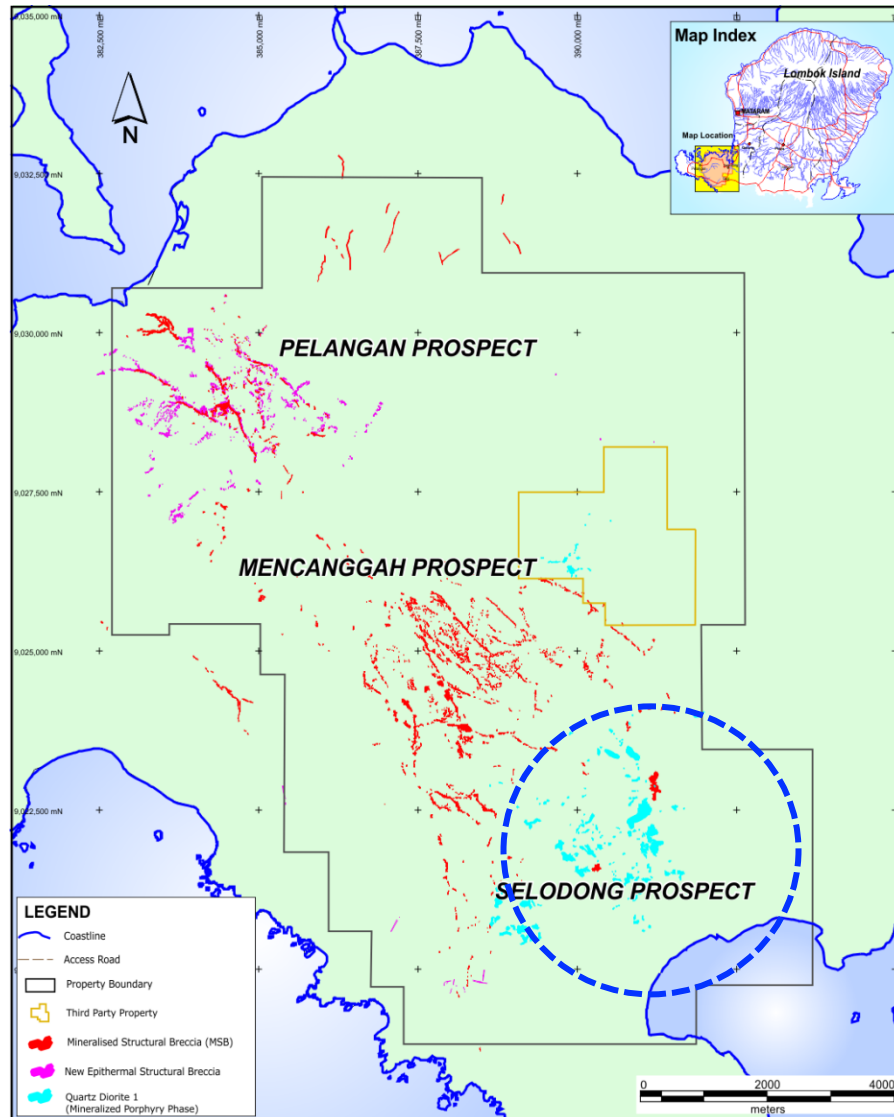


- 16km cumulative strike length of Au-bearing epithermal breccias with indications of near-surface porphyry Cu-Au Mineralization
- Rock channel samples include **7m @ 53.3 g/t Au**, **5m @ 12.2 g/t Au** and **66m @ 1.1 g/t Au**¹
- 10,000m of Phase 2 drilling starting September 2011 focused on high-priority targets
- Surface mapping (4 dedicated teams) ongoing to determine continuity of mineralized corridor between Mencanggih and Pelangan
- NI 43-101 compliant resource estimate in first half of 2012

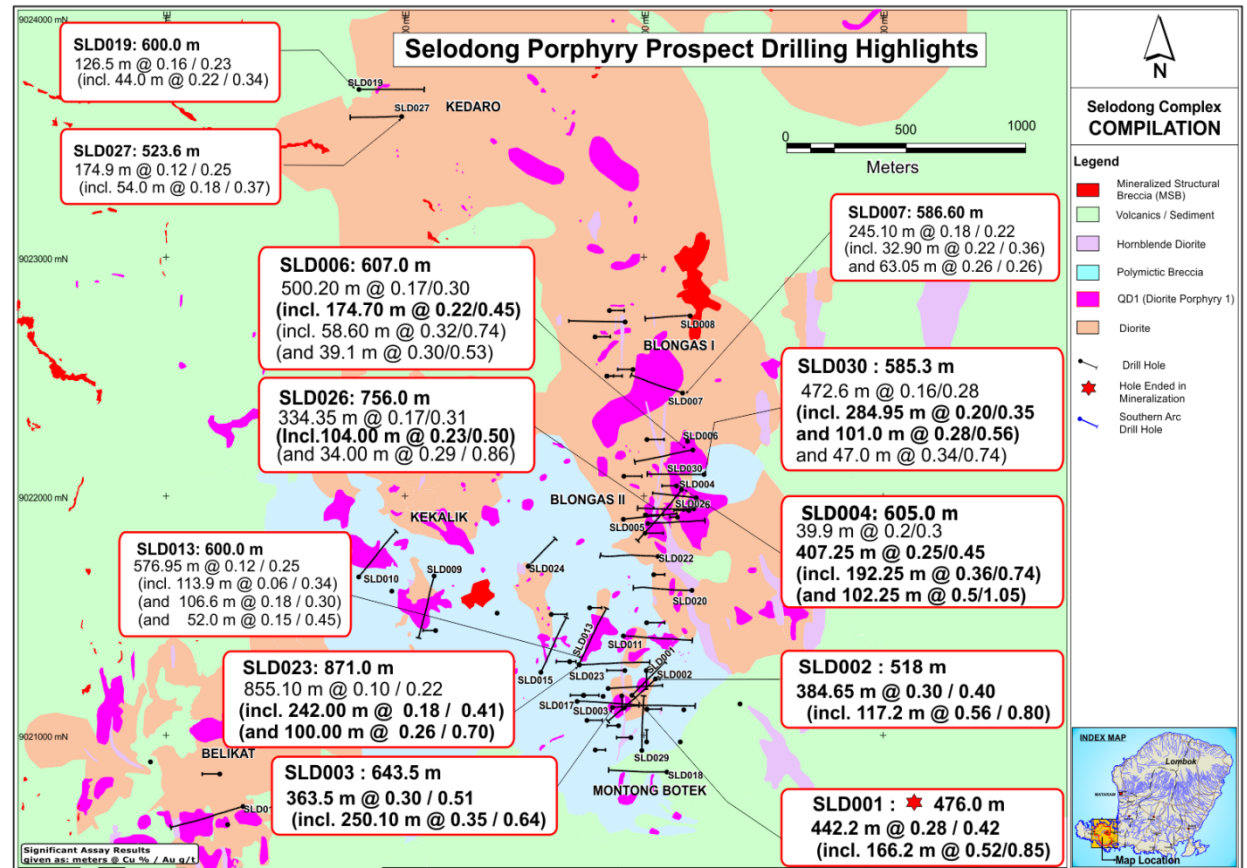


1. See Significant Drill Results and Cautionary Note.

Selodong Prospect



- 14 porphyry Cu-Au targets defined by geochemistry, geophysics and alteration mapping
- Seven targets tested in Phase 1 exploration with significant near surface intersections of Cu-Au porphyry mineralization
 - **166m @ 0.52% Cu and 0.85 g/t Au¹**
 - **102m @ 0.50% Cu and 1.05 g/t Au¹**
- Indications of porphyry Cu-Au district scale mineralization
- Additional exploration planned during Phase 2 in 2012



1. See Significant Drill Results and Cautionary Note.

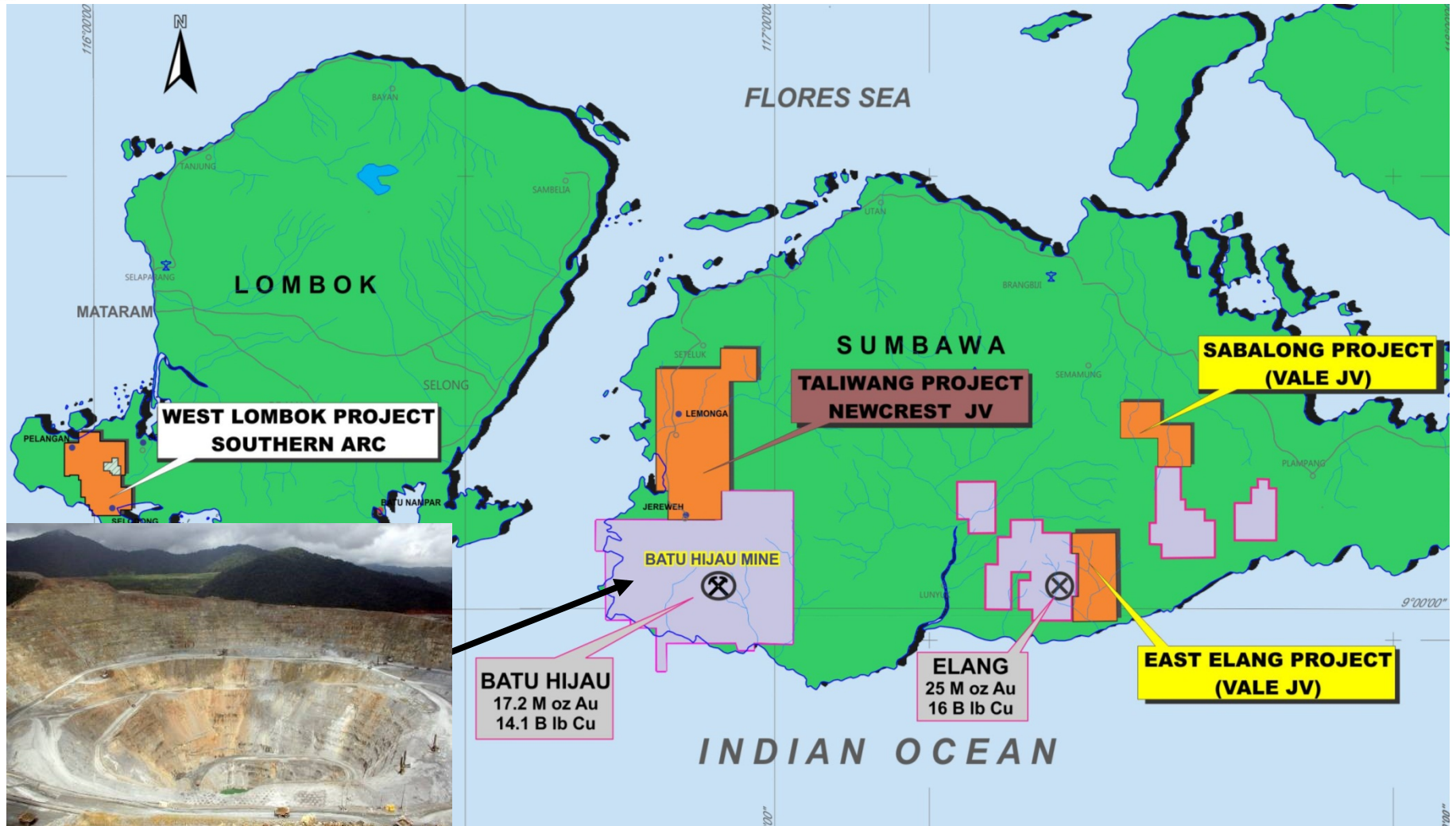
Sumbawa Joint Ventures

Sabalong – Southern Arc / Vale S.A.

East Elang – Southern Arc / Vale S.A.

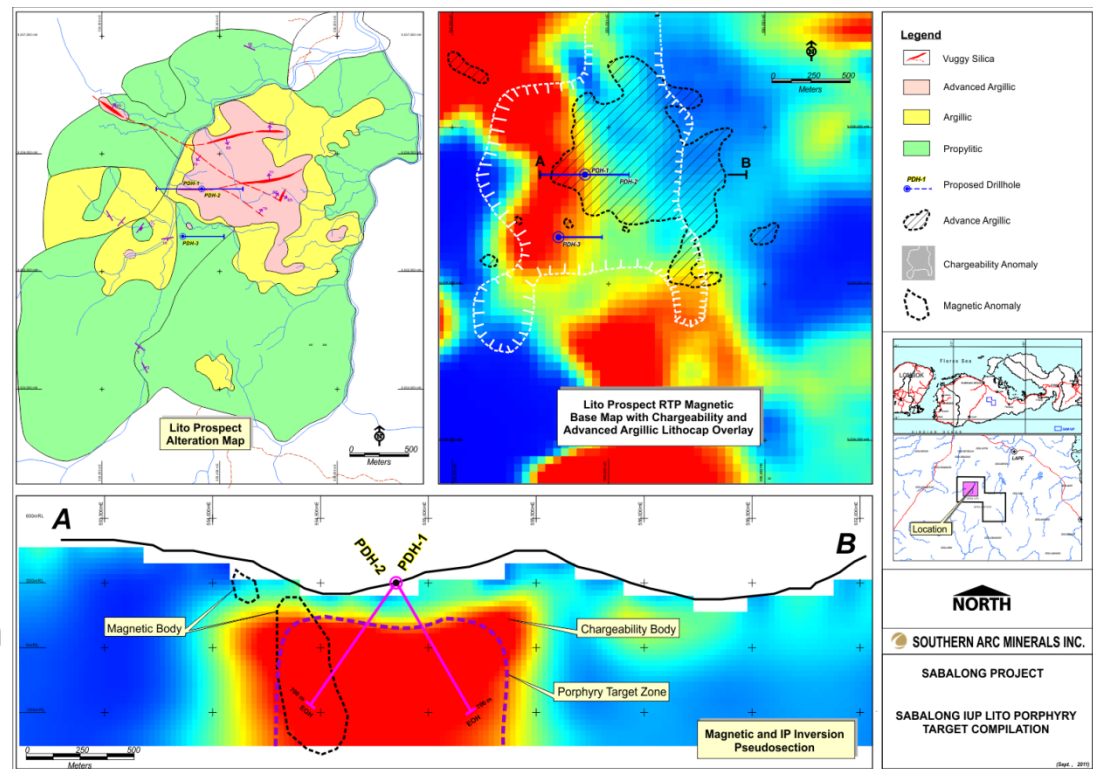
Taliwang – Southern Arc / Newcrest

Southern Arc's Properties



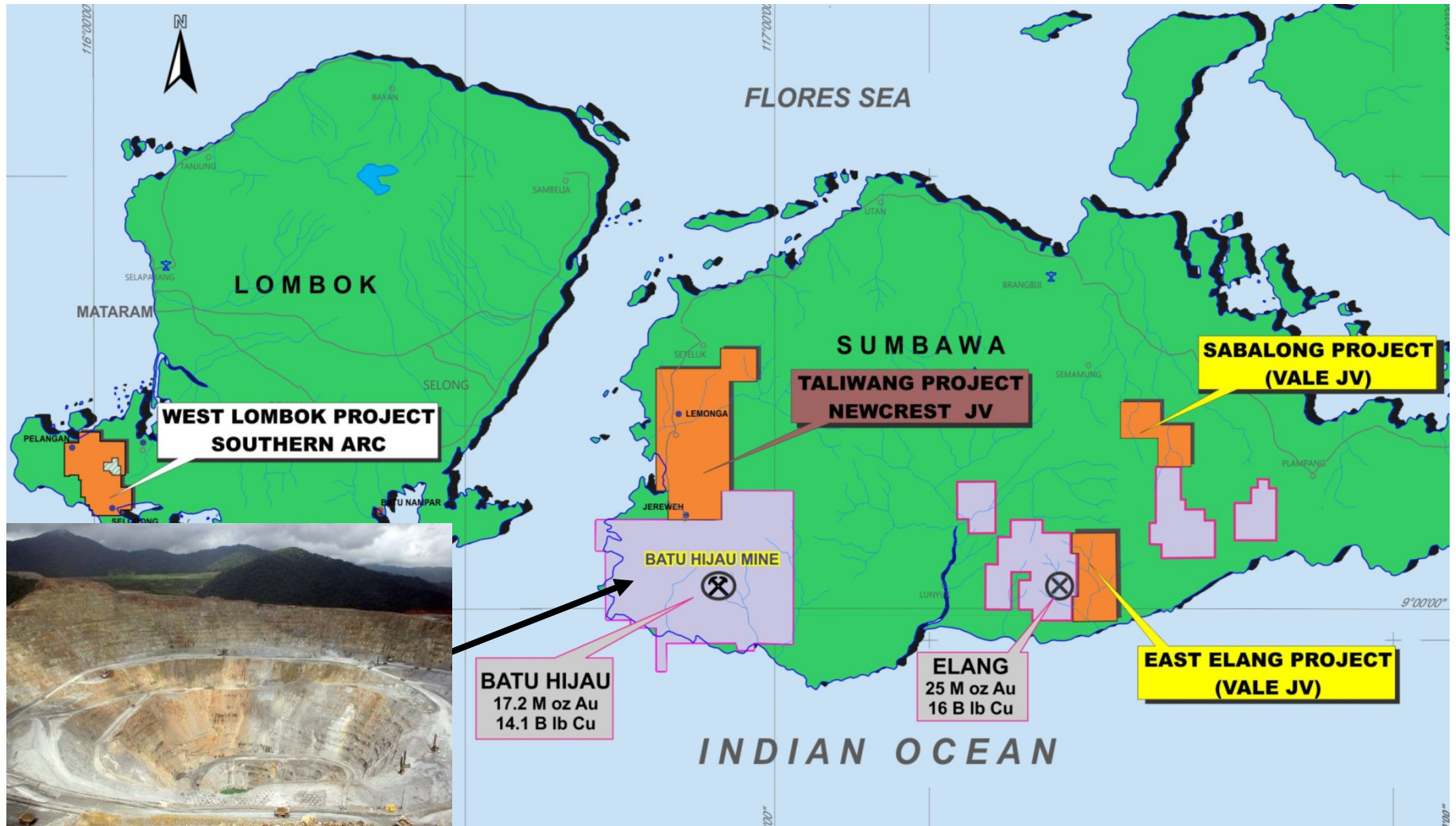
Southern Arc / Vale S.A. Agreement

- 75km NE of Batu Hijau mine, 30km NNE of Elang deposit (25 Moz Au / 16 Blb Cu)¹
- Vale must fund through to bankable feasibility study to earn 75% interest²
- Ground geophysical surveys (magnetic and IP) have identified two high-sulphidation epithermal systems, possibly related to near-surface porphyry Cu mineralization
- Phase 1 drilling scheduled for Q4-2011



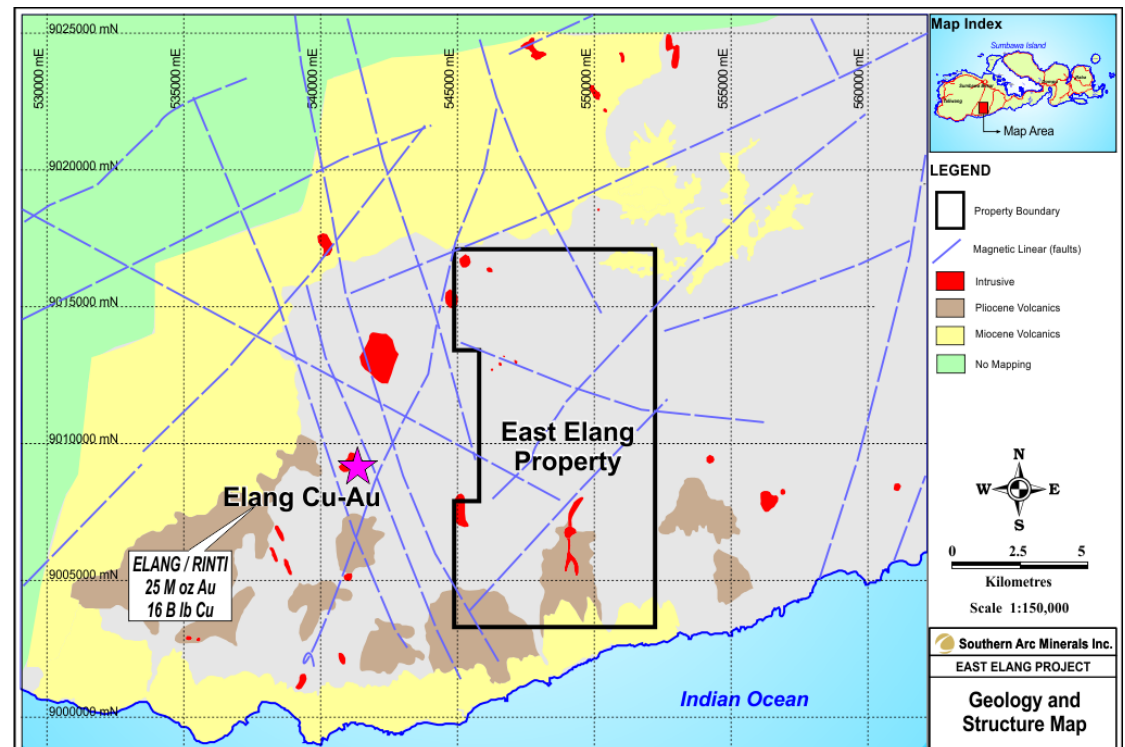
1. Newmont press release February 24, 2011 references independent JORC estimate from June 2010.
2. See Joint Venture Agreements.

Southern Arc's Properties



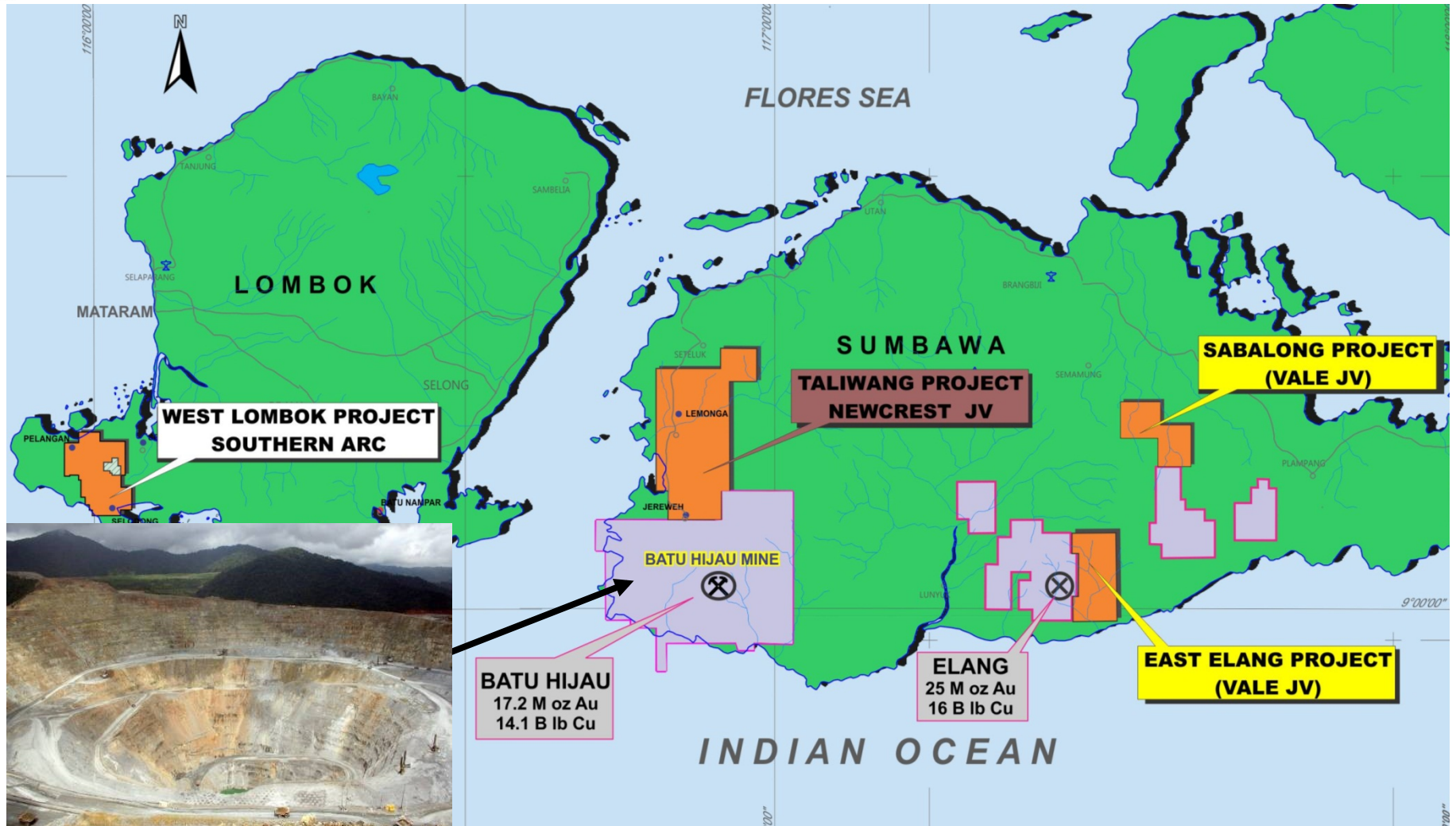
Southern Arc / Vale S.A. Agreement

- Adjacent to Newmont's Elang deposit (25 Moz Au/16 Blb Cu)¹
- Vale must fund through to bankable feasibility study to earn 75% interest²
- Aerial photography and lithographical studies suggest that Elang mineralized trend continues onto Southern Arc's East Elang property
- Surface mapping and sampling planned for Q4-2011 to define drilling targets



1. Newmont press release February 24, 2011 references independent JORC estimate from June 2010.
2. See Joint Venture Agreements.

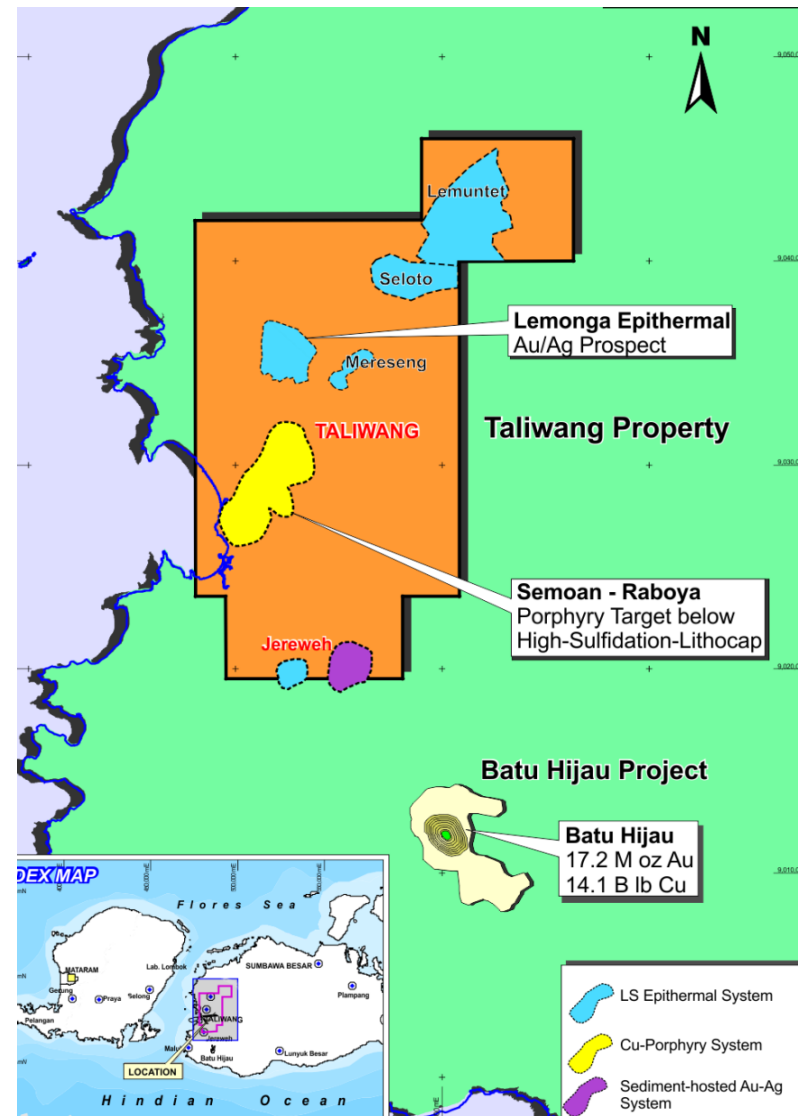
Southern Arc's Properties



Southern Arc / Newcrest Mining Agreement

- Adjacent to Newmont's world-class Batu Hijau Cu-Au mine (17.2 Moz Au/14.1 Blb Cu)
- Newcrest must fund through to US\$50M or bankable feasibility study to earn 63.75% interest¹
- 31,200 hectares highly prospective for Au, Ag, Cu with three main prospects:
 - 1km x 1.5km Au-Ag bearing epithermal vein system confirmed by 56 drill holes
 - Near-surface porphyry Cu-Au with surface high-sulphidation epithermal signatures
 - Sedimentary Au-hosted targets

1. See Joint Venture Agreements.



Experienced Team

**Cumulative 65 years of Indonesian
exploration experience**

John Proust

Chairman & Chief Executive Officer

One of the original founders of Southern Arc. Resource sector expert in financing, mergers and acquisitions, corporate restructuring and corporate governance.

Dr. Mike Andrews

President & Chief Operating Officer

Geologist with more than 30 years of research and exploration experience in Indonesia and Australasia. Principal in the discovery, exploration and development of the Way Linggo gold-silver mine in Indonesia.

Hamish Campbell

Executive Vice President

Geologist with more than 25 years of Indonesian exploration experience, including senior exploration positions with Freeport McMoran and Ashton Mining.

Andrew Rowe

Chief Geologist

Geologist with more than 20 years of mineral exploration and project management experience in Australia and Asia, including senior exploration positions with Phelps Dodge, Ivanhoe Mines, Aurora Gold and Pan Australian Mining.

Bob Gallagher
Director

President & CEO of NewGold with 32 years of mining experience, including as Vice President of Newmont's Asia-Pacific operations, including development of the Batu Hijau mine.

Dr. David Stone
Director

Doctorate in Civil Engineering with 25 years of mining experience and broad expertise in mining technology and advanced project development.

Mohammed Al-Shahwani
Director

CEO of Qatar Mining Company. Involved in major resource projects internationally, with extensive corporate development experience.

Dr. Steve Garwin
Senior Technical Advisor

Leading authority on Cu-Au mineralization in Southeast Asia, doctorate based on Batu Hijau deposit. More than 22 years of exploration experience, including as Newmont's Chief Geologist.

Malcolm Baillie

Advisor

Metallurgical engineer with 30 years of experience in the Indonesian mining sector. Leader in government negotiations, including as Director of Indonesian Mining Association.

Robert Parsons

Advisor

Chartered Accountant, former partner of PricewaterhouseCoopers. Serves on Advisory Board of Indonesian Mining Association and International Affairs Committee of PDAC.

Dr. Alwi Shihab

Advisor

Special Envoy to the President of Indonesia to the Middle East. Previously Foreign Minister for Indonesia, involved with wide variety of public companies operating in Indonesia.

Bryan Disher

Security Advisor

Indonesia security and government relations expert since 1996, with extensive network of connections with Indonesian officials.

Near-term Value Drivers

- Aggressive exploration program
 - 29,500 metres of Phase 2 drilling by Q1-2012
 - Test strike and depth of high-grade ore shoots
 - Test continuity of mineralized corridor at West Lombok
- Exploration activity at joint venture properties with Vale and Newcrest
- Two NI 43-101 resource estimates targeted for first half of 2012

Appendix

West Lombok

- \$16.4 million for exploration to end of 2012

Sumbawa

- Taliwang committed budget of \$4.0M* over the next 24 months (**Newcrest**)
- East Elang committed budget of \$1.2M* for first 12 months (**Vale**)
- Sabalong committed budget of \$1.0M* for next 12 months (**Vale**)

Total Minimum Budget: \$22.6M

* Guaranteed minimum expenditure commitments for the Sumbawa properties by the joint venture partners, Newcrest and Vale.

Significant Drill Results

Selodong Phase 1					
HOLE ID	PROSPECT	From	To (m)	Interval	Intersection(Cu % / Au g/t)
SLD001	MONTONG BOTEK	33.8	476	442.2	442.2m @ 0.28/0.42
		33.8	200	166.2	incl. 166.2m @ 0.52/0.85
		33.8	138.8	105	incl. 105.0m @ 0.60/1.04
		18.1	402.75	384.65	384.65m @ 0.3/0.4
SLD002	MONTONG BOTEK	118.7	235.9	117.2	incl. 117.2m @ 0.56/0.8
		33.3	396.8	363.5	363.5m @ 0.3/0.51
SLD003	MONTONG BOTEK	33.3	283.4	250.1	incl. 250.1m @ 0.35/0.64
		33.3	90.45	57.15	incl. 57.15m @ 0.39/1.0
		16.6	56.5	39.9	39.9m @ 0.2/0.3
SLD004	BLONGAS II	160.25	567.5	407.25	407.25m @ 0.25/0.45
		160.25	352.5	192.25	incl. 192.25m @ 0.36/0.74
		176.55	278.8	102.25	incl. 102.25m @ 0.5/1.05
		2.0	488.15	486.15	486.15m @ 0.22/0.26
SLD005	BLONGAS II	97.7	169.8	72.1	incl. 72.1m @ 0.38/0.30
		200.4	242.9	42.5	incl. 42.5m @ 0.39/0.57
		334.6	414.6	80	incl. 80.0m @ 0.19/0.42
		49.8	550	500.2	500.20m @ 0.17/0.30
SLD006	BLONGAS II	200.2	374.9	174.7	incl. 174.70m @ 0.22/0.45
		200.2	258.8	58.6	incl. 58.60m @ 0.32/0.74
		335.8	374.9	39.1	incl. 39.1m @ 0.30/0.53
		175.5	420.6	245.1	245.1m @ 0.18/0.22
SLD007	BLONGAS I	177.5	210.4	32.9	incl. 32.9m @ 0.22/0.36
		348.75	411.8	63.05	incl. 63.05m @ 0.26/0.26
		91.1	181	89.9	89.9m @ 0.16/0.22
SLD011	NORTH M BOTEK	111.3	136.1	24.8	incl. 24.8m @ 0.24/0.34
		0	576.95	576.95	576.95m @ 0.12/0.25
SLD013	M BOTEK	21.5	135.4	113.9	incl. 113.9m @ 0.06/0.34
		262.75	369.35	106.6	incl. 106.6m @ 0.18/0.30
		441.35	493.35	52	incl. 52.0m @ 0.15/0.45
SLD014	BELIKAT	110.3	187.75	77.45	77.45 m @ 0.13/0.22
SLD017	MONTONG BOTEK	0	208.1	208.1	208.1m @ 0.12/0.22
		8.5	21.5	13	incl. 13.0m @ 0.38/0.54
		318.8	330.8	12	12.0m @ -/0.54
SLD019	KEDARO	18.15	39.3	21.15	21.15m @ 0.10/0.13
		193.6	320.05	126.45	126.45m @ 0.16/0.23
		195.6	239.6	44	incl. 44.0m @ 0.22/0.34
SLD023	MONTONG BOTEK	0	855.1	855.1	855.10m @ 0.10/0.22
		210	452	242	incl. 242.00m @ 0.18/0.41
		278	378	100	100.00m @ 0.26/0.70
SLD026	BLONGAS II	0	334.35	334.35	334.35m @ 0.17/0.31
		222.35	326.35	104	incl. 104.0m @ 0.23/0.5
		278.35	312.35	34	incl. 34.0m @ 0.29/0.29
SLD027	KEDARO	15.5	190.4	174.9	174.90m @ 0.12/0.25
		87.05	141.05	54	incl. 54.0m @ 0.18/0.37
SLD029	MONTONG BOTEK	0	504.65	504.65	504.65m @ 0.13/0.16
		156.7	284.65	127.95	incl. 127.95m @ 0.14/0.26
		404.65	504.65	100	incl. 100.0m @ 0.16/0.2
SLD030	BLONGAS II	98.2	570.8	472.6	472.6m @ 0.16/0.28
		172.2	457.15	284.95	incl. 284.95m @ 0.20/0.3
		276.7	377.7	101	incl. 101.00m @ 0.28/0.5
		276.7	323.7	47	incl. 47.00m @ 0.34/0.74

Pelangan Phase 1					
HOLE ID	Target	From (m)	To (m)	Interval (m)	Intersection (Au / Ag g/t)
KDG02	Kayu Putih	16.80	23.80	7.00	7 m @ 4.4
		19.80	20.80	1.00	incl. 1 m @ 9.92 &
		22.80	23.80	1.00	1 m @ 18
KDG03	Kayu Putih	20.50	23.50	3.00	3 m @ 4.1
		20.50	21.50	1.00	incl.1 m @ 5.9
KDG04	Kayu Putih	2.00	13.40	11.40	11.4m @ 9.6 / 47
		3.00	4.10	1.10	incl. 1.1m @ 26.8 / 217
		11.40	12.40	1.00	incl. 1 m @ 71 / 182
KDG12	Kayu Putih	17.85	28.95	11.10	11.1 m @ 3.1 / 7.8
		19.95	22.50	2.55	incl. 2.55 m @ 9 / 16.2
		68.80	72.90	4.10	4.1 m @ 5.9 / 8.8
		69.80	70.90	1.10	incl. 1.1 m @ 18.1 / 24.5
KDG013	Kayu Putih	22.00	27.00	5.00	5 m @ 4.2 / 15
		24.90	26.30	1.40	incl. 1.4 m @ 9.8 / 21
QDG06	Ratu	28.80	29.80	1.00	1 m @ 7.36 / 186
RDG01	Raja	6.30	17.00	10.70	10.7 m @ 2.93 / 20
		7.50	12.20	4.70	incl. 4.7 m @ 5.8 / 27
		61.65	65.10	3.45	3.45 m @ 4.13 / 64
		63.20	64.00	1.10	incl. 1.1 m @ 7.62 / 129
RDG03	Raja	0.00	6.30	6.30	6.3 m @ 2.5 / 81
		1.20	2.80	1.60	incl. 1.6 m @ 5.7 / 50
		23.20	35.30	12.10	12.1 m @ 2.3 / 16
		23.20	26.35	3.15	incl. 3.15 m @ 4.8 / 21.6
RDG04	Raja	8.35	17.85	9.50	9.5 m @ 6.2 / 41
		12.25	15.30	3.05	incl. 3.05 m @ 14.2 / 61

RDG05	Raja	10.00	32.95	22.95	22.95 m @ 4.1 / 17
		20.70	22.95	2.25	incl. 2.25 m @ 14.6 / 10
		27.20	28.20	1.00	and 1 m @ 21.4 / 23
RDG06	Raja	9.95	26.05	16.10	16.1 m @ 2.7 / 23
		10.80	16.50	5.70	incl. 5.7 m @ 5.2 / 30
		35.15	54.90	19.75	19.75 m @ 4.6 / 28
RDG07	Raja	35.15	37.65	2.50	incl. 2.5 m @ 5.5 / 28
		40.55	44.45	3.90	and 3.9 m @ 13.5 / 22
		49.50	54.10	4.60	and 4.6 m @ 3.6 / 24
		39.70	58.15	18.45	18.45 m @ 1.1 / 4
TDG01	Tanjung	41.95	43.40	1.45	incl. 1.45 m @ 2.5 / 3
		54.40	56.00	1.60	and 1.6 m @ 4.1 / 3
		32.85	42.90	10.05	10.05 m @ 13.4 / 8
TDG02	Tanjung	35.35	37.65	2.30	incl. 2.3 m @ 47.9 / 24
		39.90	41.80	1.90	and 1.9 m @ 7.1 / 2
		48.00	56.60	8.60	8.6 m @ 2.7 / 4
TDG03	Tanjung	48.75	51.70	2.95	2.95 m @ 6.1 / 9
		32.50	37.10	4.60	4.6 m @ 3.1 / 10
TDG06	Tanjung	33.55	35.00	1.45	incl. 1.45 @ 5.5 / 10
		52.90	62.10	9.20	9.2 m @ 5.9 / 11
JDG03	Jati	55.30	56.55	1.25	incl. 1.25 m @ 24.9 / 7
		4.80	23.35	18.55	18.55 m @ 1.14
KDG16	Kayu Putih	21.05	22.5	1.45	incl. 1.45 m @ 6.2 / 55
		76.45	77.35	0.90	0.90m @ 8.12/11

Pelangan Phase 2					
HOLE ID	Target	From (m)	To (m)	Interval (m)	Intersection (Au/Ag g/t)
PLD001	Raja	56.55	61.4	4.85	4.85 m @ 7.11/18.5
		56.55	57.9	1.35	incl. 1.35 m @ 16.7/17.0
PLD002	Raja	120.15	137.4	17.25	17.25 m @ 5.73/11.7
		121.6	130.35	8.75	incl. 8.75 m @ 10.51/20.7
PLD003	Raja	232.95	249.5	16.55	16.55 m @ 5.5/3.7
		237.5	245.2	7.7	incl. 7.70 m @ 10.9/6.1
		240.7	245.2	4.5	incl. 4.50 m @ 17.6/8.0
PLD006	Raja	110.05	126.2	16.15	16.15 m @ 1.4/12.0
		110.05	112.5	2.45	incl. 2.45 m @ 4.7/34.0
PLD007	Raja	78.8	118.5	39.7	39.7 m @ 9.4/15.7
		78.5	96.2	17.7	incl. 17.40 m @ 19.4/28.3
		88.1	94.25	6.15	incl. 6.15 m @ 37.7/26.0
		127.7	128.45	0.75	0.75 m @ 22.1/15.4
PLD008	Raja	70.35	81.9	11.55	11.55 m @ 9.80/31.1
		70.35	73.85	3.5	incl. 3.5 m @ 26.1/96.5
		93.7	105.5	11.8	11.8 m @ 1.40/9.2
		100.2	102.2	2	incl. 2.00 m @ 3.70/22.6
PLD009	Raja	217.3	225.5	8.2	8.20 m @ 4.4/2.7
		217.3	221.6	4.3	incl. 4.30 m @ 7.5/3.9
PLD010	Raja	127.35	149.4	22.05	22.05 m @ 2.7 / 2.8
		140.4	149.4	9	incl. 9.0 m @ 4.6 / 1.6
		140.8	142.2	1.4	incl. 1.4 m @ 11.5 / 2.3
PLD011	Raja	210.2	226.7	16.5	16.5 m @ 3.2 / 16.4
		211.5	216.25	4.75	incl. 4.75 m @ 8.2 / 41.9

PLD014	Raja	74.6	111.8	37.2	37.2 m @ 2.5 / 14.2
		90.7	99.9	9.2	incl. 9.2 m @ 4.1 / 24.0
PLD017	Raja	132.4	138.4	6	6.0 m @ 2.2/13.1
		132.4	133.7	1.3	incl. 1.30 m @ 4.9/11
PLD019	Raja	147.1	152.3	5.2	5.2m @ 4.1/10.3
		147.7	148.45	0.75	incl. 0.75 m @ 14.0/43.7
		151.75	152.3	0.55	and 0.55 m @ 14.5/5.2
		160.8	174.75	13.95	13.95 m @ 2.7/19.4
		160.8	163.2	2.4	incl. 2.4 m @ 7.1/34.8
		173.75	174.75	1	and 1.0m @ 4.7/40.9
PLD022	Raja	101.8	117.6	15.8	15.8m @ 3.6/19.7
		111.4	117	5.6	incl. 5.6m @ 7.0/12.6
		115.6	117	1.4	incl. 1.4m @ 18.2/10.9
PLD024*	Raja	223.85	225.8	1.95	1.95 m @ 3.3
PLD027*	Tanjung	167.2	193.4	26.2	26.2 m @ 4.2
		167.2	168.5	1.3	incl.1.3 m @ 30.1
		189.15	192.6	3.45	incl. 3.45 m @ 12.3
PLD028	Raja	Assay results pending			
PLD029	Raja	Assay results pending			
PLD030	Raja	Assay results pending			
PLD031	Raja	Assay results pending			
PLD032	Raja	Assay results pending			
PLD033	Tanjung	Assay results pending			



Forest Types

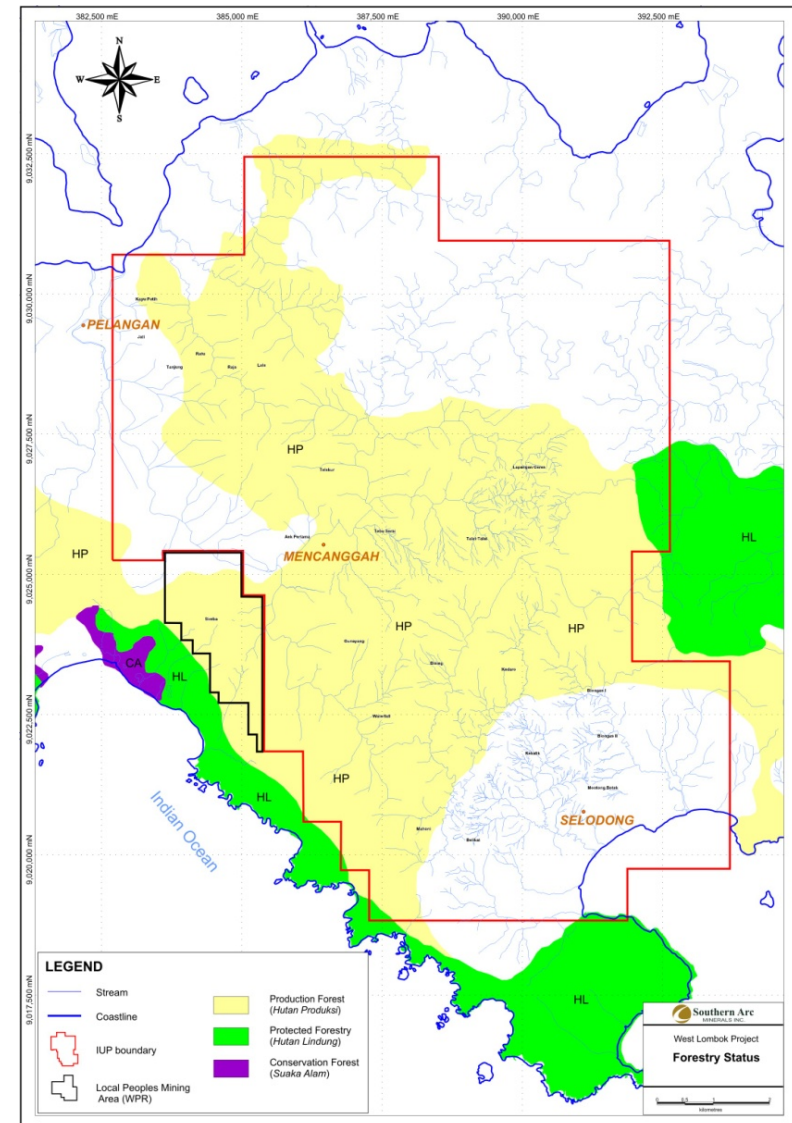
- 1.1% Protected Forest
- 55.1% Production Forest
- 43.8% No Forest Designation

Requirements

- MOF permit required for exploration activities within protected and production designated areas

Status

- IUP license issued
- Acquiring the relevant MOF permit



IUP License

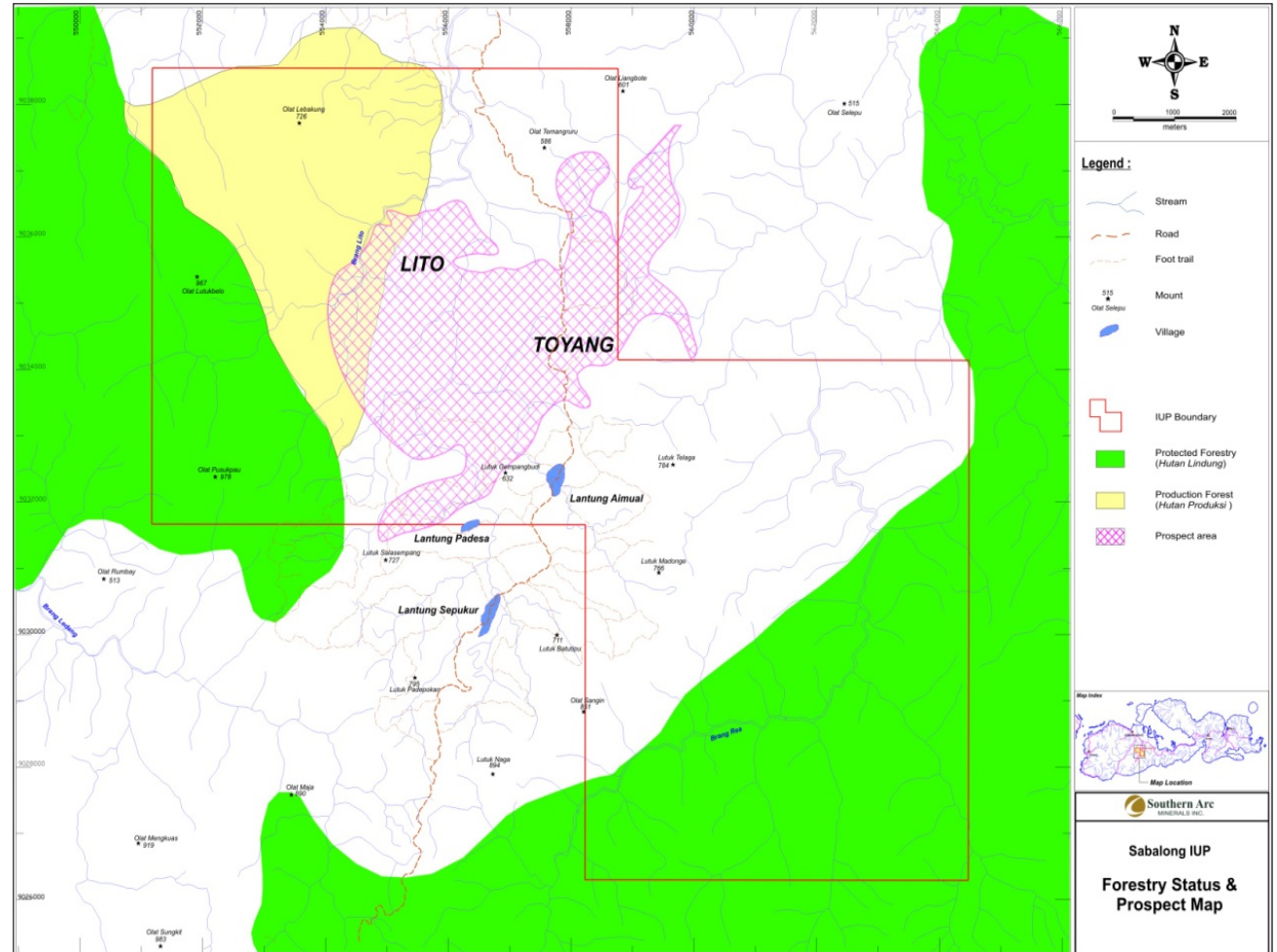
- IUP license issued by the Sumbawa Regent on December 17, 2009 for a period of seven years

Forest Types

- 36.3% Protected Forest
- 13.7% Production Forest
- 50.0% No Forest Designation

Status

- Area of focus is outside of designated forest classification



IUP License

- IUP license issued by the Sumbawa Regent on December 17, 2010 for a period of seven years

Forest Types

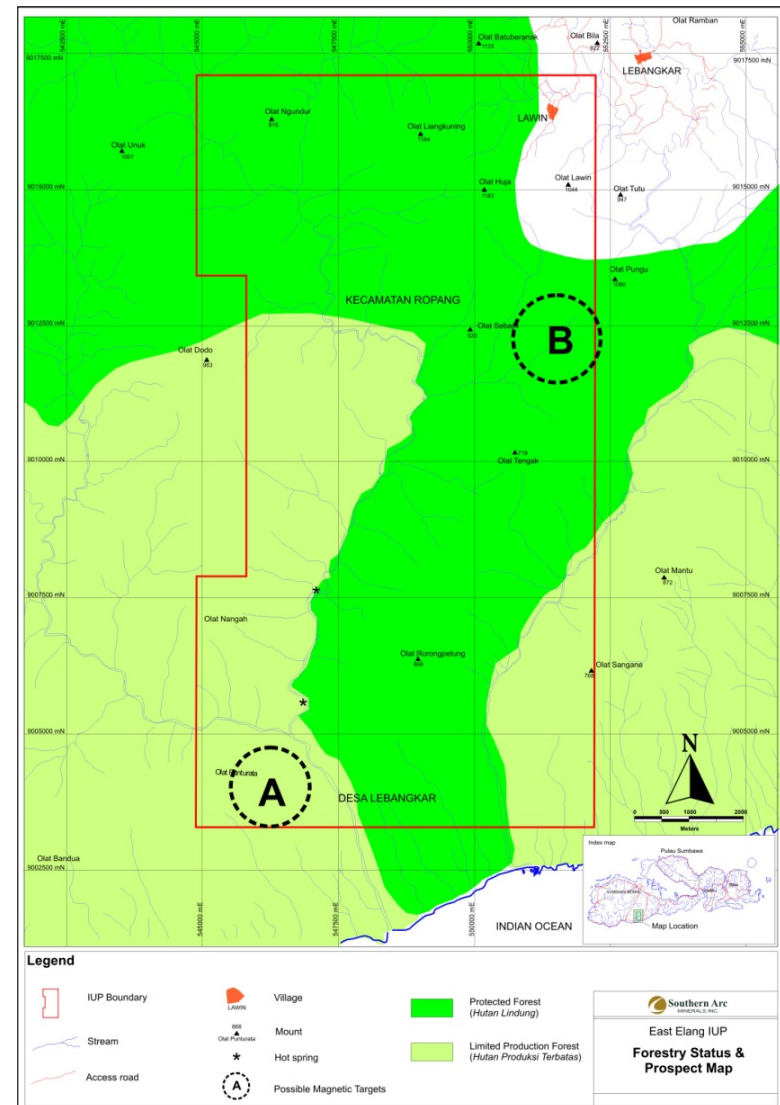
- 60.3% Protected Forest
- 34.2% Limited Production Forest
- 5.5% No Forest Designation

Requirements

- MOF permit required for exploration activities within both Protected and Production designated areas

Status

- MOF permit issuance in process



IUP License

- IUP license issued by the West Sumbawa Regent on July 9, 2010 for a period of six years

Forest Types

- 3.7% Conservation Forest
- 10.9% Protected Forest
- 29.7% Production Forest
- 55.7% No Forest Designation

Requirements

- MOF permit required for exploration activities within protected and production designated areas

Status

- Previous MOF permit being extended
- Area of proposed drilling is outside of forest classification



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Vale International S.A. Option & Joint Venture Agreement

Southern Arc and Vale are exploring the Sabalong and East Elang Projects under an option and joint venture agreement whereby Vale can earn a 75% interest (Southern Arc retaining 25%) by funding project expenditures through to completion of a bankable feasibility study. To exercise its option, Vale must fully fund the advancement of either the Sabalong or East Elang projects (adjacent to Newmont's Elang deposit), through to completion of a bankable feasibility study. Should Vale choose not to exercise its option, Southern Arc will retain its 100% ownership of both projects at no cost. More information is available in the Southern Arc press release announcing the agreement, dated August 4, 2010.

Newcrest Mining Heads of Agreement

Southern Arc and Newcrest have reached a heads of agreement to explore the Taliwang Project whereby Newcrest can earn a 63.75% interest (21.25% Southern Arc, 10% Indonesian Regency Government, 5% PT Puri Permata Mega) by funding project expenditures through to a maximum of US\$46 million or completion of a bankable feasibility study, whichever comes first. Should Newcrest choose not to complete its funding obligations, Southern Arc will retain its 85% ownership of the Taliwang Project at no cost. More information is available in the Southern Arc press release announcing the agreement, dated November 19, 2010.

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