

ASX ANNOUNCEMENT

31 March 2015

## NEW EXPLORATION PERMIT AT OBERON

- **ARX granted new exploration licence in Oberon district to the east of Cadia mine**
- **Adjoins existing joint venture tenements**
- **Prospective for porphyry copper-gold targets in Macquarie Arc volcanic rocks**

Arc Exploration Limited (ASX Code: ARX) is pleased to announce that it was recently granted a new exploration licence located in the Oberon district of the Central Tablelands, New South Wales, Australia.

Managing Director, Dr. Jeff Malaihollo, commented:

*"The granting of this new exploration licence strengthens our ground position in the Oberon District which contains Macquarie Arc volcanic rocks that may be prospective for porphyry copper-gold targets."*

*This new licence becomes part of the package of tenements under the Oberon Project joint venture that we have with NSR.*

*The Oberon Project is located only about 100km east of the Cadia Valley copper-gold mine operation in a region with excellent access and development infrastructure. Our initial work program on the new licence will include a more detailed literature search on previous exploration and a ground assessment to confirm the potential of the area for porphyry copper-gold targets."*

The new exploration licence, EL 8349 *Holmwood*, comprises 10 units (approximately 29 square-kilometres) and adjoins the western boundary of EL 6525 *Oberon* and southern boundary of EL 5110 *Johnstone Ridge*, which are each held by New South Resources Limited ("NSR") and on which ARX has a joint venture agreement to explore for gold, silver and base metals. EL 8349 was granted to ARX for an initial period of 3 years commencing 12 March 2015.

The new licence area is mainly underlain by mafic volcanic rocks of the Rockley Volcanics, part of the eastern Rockley-Gulgong Volcanic Belt within the Ordovician-Early Silurian Macquarie Arc. The Macquarie Arc is endowed with world class porphyry copper-gold deposits at Cadia and Northparkes. The new licence area is believed to be relatively underexplored by previous companies and may have potential for porphyry copper-gold mineralisation.

## Background on the Oberon Project

The **Oberon Project** is located in the Bathurst region on the eastern side of the Lachlan Orogen in New South Wales. It comprises one large licence EL 6525 and a smaller adjoining licence EL 8110. With the new addition of EL 8349 the total area of the exploration tenement package under the joint venture is approximately 200 square-kilometres. It covers a multiply deformed Ordovician to Siluro-Devonian package of volcanosedimentary rocks and Carboniferous granite intrusions that are prospective for a range of mineral deposit styles that include porphyry copper-gold, gold-base metal-iron skarns, VMS-related gold-silver-base metals and orogenic gold veins

EL 6525 contains the 150,000-ounce *Murphys* gold deposit (see ASX announcements of 3<sup>rd</sup> and 10<sup>th</sup> July 2013) on which historic drilling has produced some broad low-grade gold intercepts including 49m at 0.75 g/t gold, 23m at 1.05 g/t gold and 34m at 0.62 g/t gold. *Murphys* is hosted by Silurian felsic volcanic rocks and the gold is associated with base metal sulphide mineralisation disseminated in quartz stockwork and through the intensely phyllic-altered host rocks.

The project area is crossed by the west-northwest trending Lachlan Transverse Zone, an inferred arc-normal structural corridor that is interpreted by Glen *et al.* (2007) to have influenced the emplacement of mineralising monzonite intrusions (e.g. Cadia) and felsic volcanic centres (e.g. McPhillamys) in the Bathurst region. The same structure may have similarly influenced the distribution of gold-base metal prospects in the project area, including *Murphys*.

For further information please contact:

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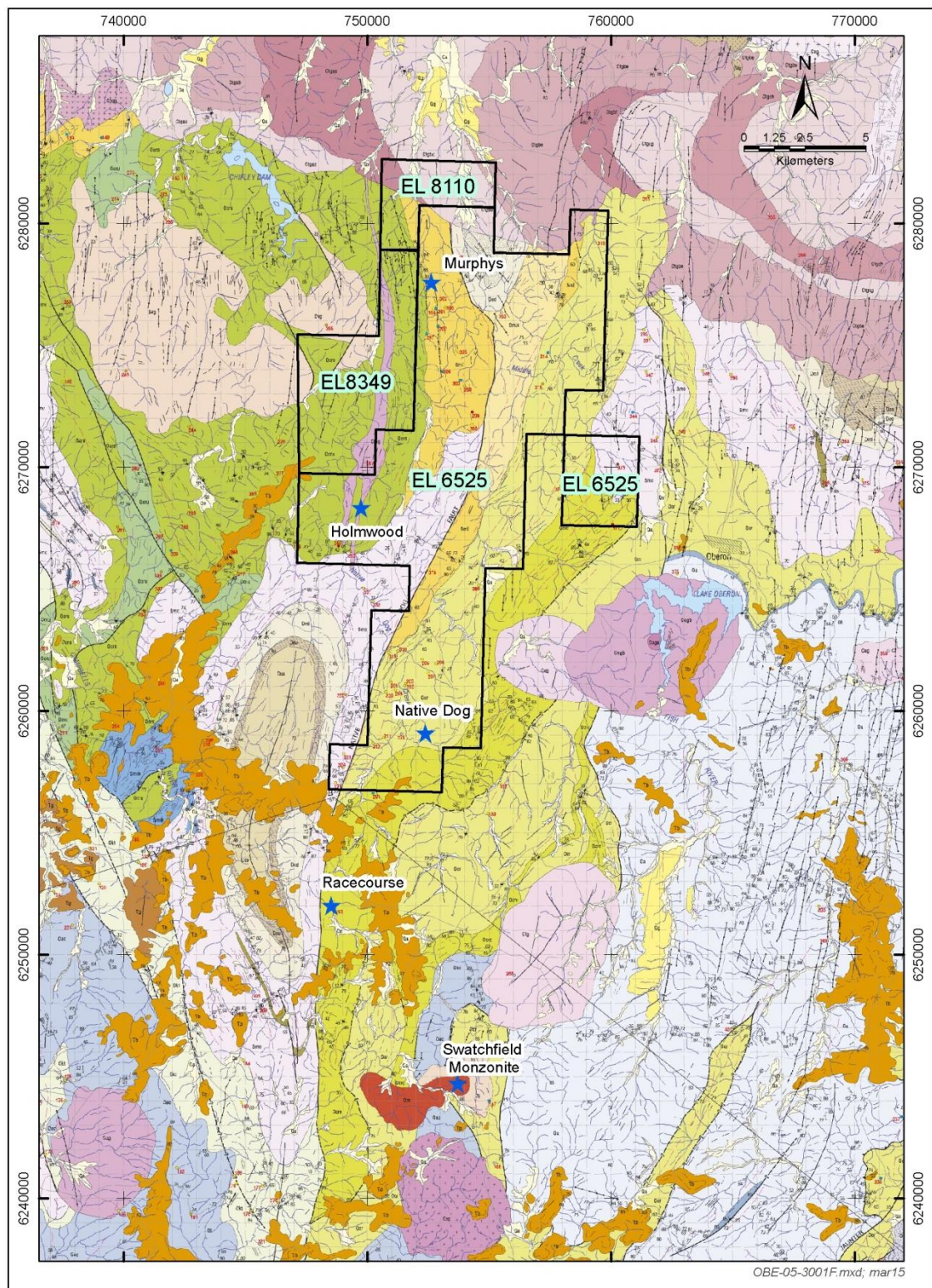
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***Competent Person Statement***

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Brad Wake, BSc (Applied Geology), who is a member of the Australian Institute of Geoscientists. Mr Wake has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wake is a full time employee of Arc Exploration Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.





**OBERON PROJECT TENEMENTS ON REGIONAL GEOLOGY**  
 Including Location of EL 8349 Holmwood  
 Taken from Published 1:100:000 scale Oberon Geology Sheet  
 NSW Geological Survey