

March 2015 Quarter Activities Report

ABOUT ARC EXPLORATION LIMITED

Arc Exploration Limited (**ASX Code: ARX**) is an Australian listed gold company focused on exploration in Indonesia and Australia.

The Company has a joint venture interest with PT Sumber Mineral Nusantara on the Trenggalek Project in East Java. This project lies on the Sunda-Banda magmatic arc and is prospective for high-grade epithermal gold-silver veins and porphyry copper-gold systems.

The Company also has interests in Australia. It exercised its Options to Farm-in to two gold properties in New South Wales, Junee and Oberon and holds an Option to Farm-in to another gold property in the Mount Garnet district of Far North Queensland.

All three projects in Australia contain drill-delineated gold resources with potential for expansion through further exploration.

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INDONESIA

Trenggalek Project, East Java

- Low level of activity during the quarter.
- The Company is considering its forward strategy on the project.
- Preliminary cyanide bottle-roll leach testing on samples of weathered to fresh gold-mineralised quartz vein material from the Sentul West Vein returned gold extractions averaging 81% suggesting that it may be amenable to processing by conventional carbon-in-pulp processing methods if a significant gold resource is defined.

AUSTRALIA

Junee Project, NSW

- No activity to report.

Oberon Project, NSW

- New exploration licence granted, adjoining the existing tenement package with potential for copper and gold targets in highly prospective Ordovician volcanic rocks.

Mount Garnet Project, Queensland

- Anomalous base metal – multielement geochemistry returned in rock chips taken over a large soil anomaly at Stockies Prospect.
- Similarities with the nearby Mount Garnet zinc-copper skarn deposit.
- Additional ground work in progress, including mapping and rock chip sampling to better define the anomalies.

INDONESIA

ARX is exploring for gold and base metal deposits along Indonesia's highly prospective magmatic arcs and associated geological terranes (Figure 1). The primary exploration targets are porphyry-related copper-gold and high-grade epithermal gold-silver veins.



Figure 1. Trenggalek Project Location & major gold and base metal deposits in Indonesia

Trenggalek Project, East Java (95% ARX)

ARX operates a joint venture with its local Indonesian partner, P.T. Sumber Mineral Nusantara, who holds the Trenggalek Exploration IUP tenement, located in the Southern Mountains of East Java. The Southern Mountains is composed of an older segment of the Sunda-Banda magmatic arc which hosts the Tumpangpitu porphyry copper-gold located about 200 kilometres to the east of Trenggalek, and the large Batu Hijau and Elang porphyry copper-gold deposits located on Sumbawa Island. Trenggalek contains a similar package of rocks to those hosting these three major porphyry deposits.

The Trenggalek Exploration IUP tenement is valid until November 2016 and covers an area of about 300 km² or 29,969 Ha.

Early exploration work by ARX on the Trenggalek IUP concentrated on testing of intermediate-sulphidation epithermal gold-bearing veins, breccias, jasperoid and high-grade float targets at multiple prospects identified within the tenement. These gold targets are hosted by Oligo-Miocene age volcanic and volcanoclastic rocks, limestone, subvolcanic plugs and possible diatreme breccias. Several of the prospects have had limited drill testing and produced some significant gold-silver intercepts including 9 m at 4.5 g/t Au & 8 g/t Ag at Sentul, 13.7 m at 3.2 g/t Au & 60 g/t Ag at Buluroto, and 6.6 m at 4.9 g/t Au & 149 g/t Ag at Kojan. High-grade gold-vein float occurrences identified at the Jati and Jombok have yet to be traced to source and remain a valid exploration target.

A new phase of exploration commenced in late 2011 under a Joint Venture with Anglo American to explore for porphyry copper-gold targets. This partnership continued until late 2014 when Anglo American withdrew due to a global rearrangement of their exploration priorities. The partnership provided the first opportunity to test the porphyry potential of the Trenggalek IUP and generated an extensive geophysical and geochemical database for porphyry targeting.

Scout drilling of targets identified at Jerambah and Singgahan prospects in the south-eastern corner of the IUP with Anglo American in late 2013 – early 2014 confirmed the occurrence of large porphyry-style alteration systems containing low-grade copper-gold-molybdenum mineralisation associated with multiple diorite-quartz diorite-tonalite intrusions and diatreme breccias at both prospects. These large alteration systems remain open and have only been partly explored.

A low-level of exploration activity was conducted at Trenggalek during the quarter whilst the Company considers its options on moving this project forward.

ARX commissioned some preliminary bottle-roll cyanide-gold leaching test work on drill core material resampled from the West Sentul epithermal gold vein on Sentul Prospect located in the southeast corner of the IUP. The test work was done by PT Intertek Utama Services at their laboratory in Jakarta.

The test work was done on fifty-two (52) PQ/HQ-size quarter-core samples taken from seven diamond-core holes drilled on the West Sentul Vein at Sentul in 2010 (See ARX quarterly report releases from March 2010 and June 2010). The samples were selected from one-metre drill sample intervals within the strongest mineralised segment of West Sentul and represent a range of weathering conditions and gold grades in this <2-15 metre wide quartz-chalcedony breccia vein (Table 1).

The 1.5-2.5kg samples were crushed and pulverised to 95% passing minus-75 microns. 250-g sub-samples were split off for determination of the gold head grade for each sample by 50g charge Fire Assay with AAS finish. 500g sub-samples were used for bottle-roll (agitated) cyanide-gold leaching at room temperature over 36 hours using Jakarta tap water mixed with sodium cyanide, lime for pH control and magnafloc to collect non-leachable solids. The cyanide liquors were analysed for gold by DIBK extraction and AAS finish. The post-leach residues were pressure filtered, washed, redried and ground for assayed by 50g charge Fire Assay with AAS finish to determine the unleached gold component (See Additional information provided in Appendix 1).

The gold head grades were determined by 50g charge fire assaying and AAS finish of a pulp sub-split taken from each pulverised sample prior the bottle roll analyses. Results ranged from 0.52 to 20.7 g/t Au.

The 'percentage cyanide-gold leach extraction' was calculated by 'Leached Gold divided by Gold Head Grade'. The test-work results show an average cyanide leach extraction of about 81% of the gold present in the 52 samples. Gold extraction results ranged from 26% to 99%. The sixteen (16) highest grade samples (>3 g/t Au) showed a gold extraction ranging from 87% to 95%.

These initial cyanide-gold bottle-roll leach testing results suggest that the gold-bearing vein at West Sentul may be amenable to processing by conventional CIP processing methods if a significant gold resource is defined.

Additional drilling and test-work are required to define a potential gold resource and to further assess the metallurgical characteristics of the gold-bearing veins on Sentul Prospect.

Figure 2. SENTUL PROSPECT – West Sentul Vein & Previous Drill holes Projected to Surface

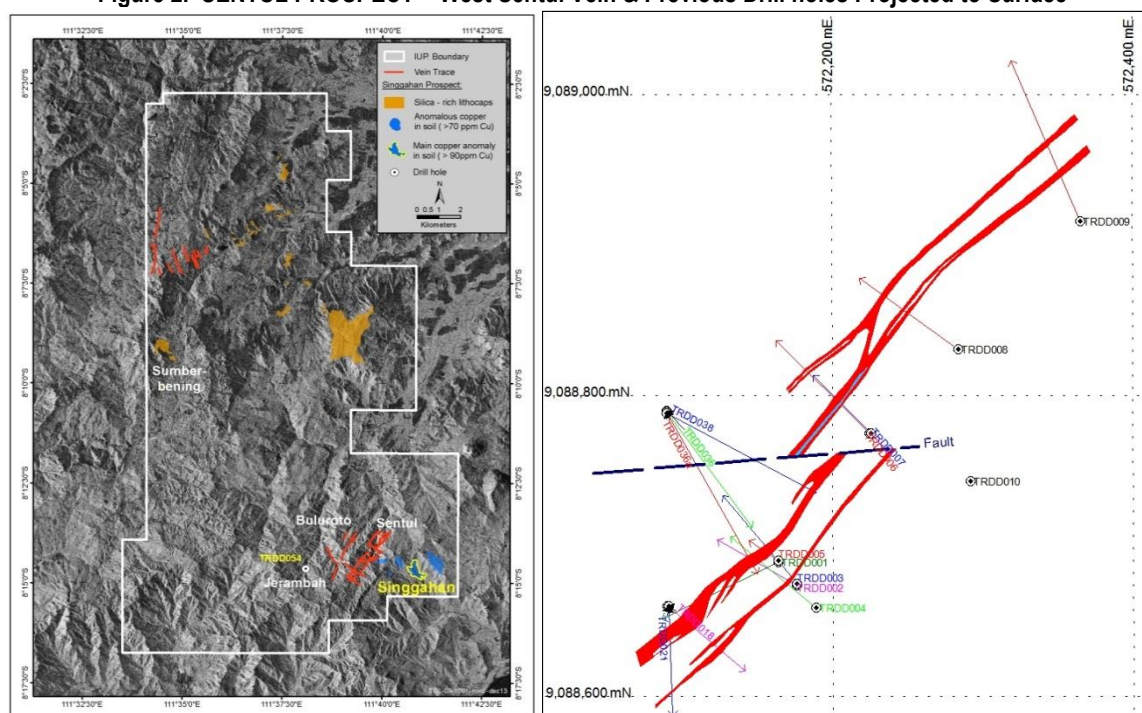


Table 1. SENTUL PROSPECT – Bottle-roll Cyanide-gold Leach Testing Results

HOLE ID	SAMPLE ID	FROM m	TO m	LENGTH m	%REC CORE	WEATHERING Fresh, Weak Moderate (Mod) Partial Oxidised (POX) Fracture Oxidised (FOX)	FA51 GOLD Head g/t	CN04 GOLD Leach g/t	FA51 GOLD Residue g/t	Combined Leach + Residue g/t	Cyanide Leach Gold Extraction %
TRDD004	DC4335	113.35	114.35	1	95	Weak/FOX	20.7	19.1	1.46	20.56	92%
TRDD002	DC4323	54	55	1	100	Weak/FOX	11.5	10.8	0.52	11.32	94%
TRDD005	DC4351	12.8	13.8	1	95	Mod/POX	8.85	7.95	0.9	8.85	90%
TRDD005	DC4348	9.8	10.8	1	100	Mod/POX	7.85	7.26	0.57	7.83	92%
TRDD005	DC4350	11.8	12.8	1	100	Mod/POX	7.61	6.6	0.96	7.56	87%
TRDD005	DC4352	13.8	14.8	1	100	Mod/POX	7.59	6.92	0.65	7.57	91%
TRDD005	DC4349	10.8	11.8	1	100	Mod/POX	6.64	6.01	0.61	6.62	91%
TRDD003	DC4332	42	43	1	90	Mod/POX	6.61	6.19	0.38	6.57	94%
TRDD003	DC4326	36	37	1	100	Mod/POX	5.2	4.88	0.31	5.19	94%
TRDD003	DC4327	37	38	1	100	Mod/POX	5.08	4.75	0.3	5.05	94%
TRDD003	DC4331	41	42	1	100	Mod/POX	4.97	4.7	0.26	4.96	95%
TRDD003	DC4330	40	41	1	96	Mod/POX	4.48	4.23	0.23	4.46	94%
TRDD002	DC4324	55	56	1	100	Weak/FOX	4.2	3.95	0.23	4.18	94%
TRDD003	DC4333	43	44	1	100	Mod/POX	4.18	3.91	0.2	4.11	94%
TRDD005	DC4345	6.8	7.8	1	95	Mod/POX	3.38	3.12	0.25	3.37	92%
TRDD001	DC4292	13	14	1	85	Mod/POX	3.35	2.97	0.38	3.35	89%
TRDD002	DC4322	53	54	1	100	Weak/FOX	2.78	2.54	0.23	2.77	91%
TRDD005	DC4347	8.8	9.8	1	100	Mod/POX	2.76	2.5	0.26	2.76	91%
TRDD001	DC4307	100	101	1	100	Fresh	2.32	2.06	0.23	2.29	89%
TRDD005	DC4346	7.8	8.8	1	100	Mod/POX	2.27	2.01	0.27	2.28	89%
TRDD001	DC4312	105	106	1	100	Fresh	2.08	0.55	1.46	2.01	26%
TRDD001	DC4314	107	108	1	90	Fresh	1.93	1.34	0.59	1.93	69%
TRDD002	DC4319	50	51	1	100	Weak/FOX	1.91	1.63	0.24	1.87	85%
TRDD001	DC4311	104	105	1	100	Fresh	1.79	0.8	0.91	1.71	45%
TRDD018	DC4360	77	78	1	100	Fresh	1.79	1.64	0.14	1.78	92%
TRDD018	DC4362	79	80	1	100	Fresh	1.63	1.45	0.15	1.6	89%
TRDD001	DC4296	17	18	1	100	Mod/OX	1.56	1.54	0.03	1.57	99%
TRDD001	DC4313	106	107	1	100	Fresh	1.32	0.73	0.49	1.22	55%
TRDD007	DC4353	78.5	79.5	1	100	Weak/FOX	1.28	1.07	0.21	1.28	84%
TRDD007	DC4358	83.5	84.5	1	100	Weak/FOX	1.26	1.05	0.2	1.25	83%
TRDD001	DC4315	108	109	1	100	Fresh	1.25	0.9	0.28	1.18	72%
TRDD018	DC4366	83	84	1	100	Fresh	1.19	0.85	0.26	1.11	71%
TRDD001	DC4310	103	104	1	100	Weak/FOX	1.12	0.67	0.38	1.05	60%
TRDD004	DC4340	118.4	119.4	1	100	Weak/FOX	1.07	0.56	0.5	1.06	52%
TRDD002	DC4320	51	52	1	100	Weak/FOX	1.06	0.9	0.08	0.98	85%
TRDD007	DC4356	81.5	82.5	1	100	Mod/POX	0.97	0.6	0.35	0.95	62%
TRDD005	DC4344	5.8	6.8	1	100	Mod/POX	0.96	0.85	0.08	0.93	89%
TRDD004	DC4341	119.4	120.4	1	100	Weak/FOX	0.94	0.48	0.46	0.94	51%
TRDD007	DC4355	80.5	81.5	1	95	Mod/POX	0.9	0.64	0.26	0.9	71%
TRDD003	DC4329	39	40	1	95	Mod/POX	0.87	0.81	0.04	0.85	93%
TRDD003	DC4328	38	39	1	100	Mod/POX	0.85	0.75	0.05	0.8	88%
TRDD018	DC4361	78	79	1	100	Fresh	0.83	0.72	0.09	0.81	87%
TRDD018	DC4359	76	77	1	100	Fresh	0.8	0.72	0.08	0.8	90%
TRDD018	DC4368	84.5	85.5	1	100	Fresh	0.75	0.46	0.29	0.75	61%
TRDD001	DC4308	101	102	1	100	Fresh	0.73	0.32	0.36	0.68	44%
TRDD004	DC4339	117.4	118.4	1	100	Weak/FOX	0.72	0.34	0.37	0.71	47%
TRDD004	DC4338	116.4	117.4	1	85	Weak/FOX	0.71	0.52	0.19	0.71	73%
TRDD007	DC4357	82.5	83.5	1	100	Mod/POX	0.68	0.56	0.12	0.68	82%
TRDD018	DC4365	82	83	1	95	Fresh	0.68	0.5	0.17	0.67	74%
TRDD002	DC4321	52	53	1	95	Mod/POX	0.61	0.55	0.05	0.6	90%
TRDD007	DC4354	79.5	80.5	1	100	Mod/POX	0.6	0.5	0.09	0.59	83%
TRDD018	DC4370	86.4	87.4	1	100	Fresh	0.52	0.28	0.2	0.48	54%

Exploration expenditure at Trenggalek for the quarter totalled US\$47,575.

AUSTRALIA

ARX holds agreements with New South Resources Pty Ltd (“NSR”) to farm-in to their Junee and Oberon projects located in New South Wales (see ASX announcements of 3rd July 2013 and 30th June 2014). These two projects occur within the Lachlan Orogen, a complex geological province endowed with world-class gold and gold-copper deposits.

ARX also holds an option to farm-in to a gold property owned by Snowmist Pty Ltd (“Snowmist”) located in the Mount Garnet mining district of Far North Queensland. This option period extends until August 2015.

The company conducted field work on the Mount Garnet project during the quarter.



Figure 3. Australian and Indonesian Project Locations

Junee Project, NSW (100% NSR; ARX earning up to 80%)

The **Junee Project** is located close to existing mine operations and development infrastructure and near the major regional centre of Wagga Wagga. It comprises four Exploration Licences (EL's 6516, 6658, 6768 & 8152). The total area of this tenement package is about 87 square-kilometres (Figure 5).

The tenements straddle the major regional Gilmore Fault Zone and cover rocks of the Junee-Narromine Volcanic Belt, part of the highly prospective Ordovician-Early Silurian Macquarie Volcanic Arc in the Lachlan Orogen. Large porphyry-related gold and gold-copper deposits (E.g. Northparkes, Gidginbung and Cowal) occur along this fertile volcanic belt and their distribution is believed to be spatially related to the Gilmore Fault Zone and its associated fault splays.

EL 6516 contains the 77,000-ounce *Dobroyde* gold deposit (see ASX announcements of 3rd and 10th July 2013) on which historic drilling has produced some spectacular high-grade gold intercepts within a low-grade mineralisation envelope, including 22m at 37.3 g/t gold, 16m at 10.5 g/t gold and 6m at 18.2 g/t gold (see ASX announcements of 9th October 2013).

No activities to report for the quarter.

ARX expenditure on the Junee Project for the quarter totalled A\$21,817.

Oberon Project, NSW (100% NSR, ARX earning up to 80%)

The **Oberon Project** is located close to existing mine operations and development infrastructure near the major regional centre of Bathurst.

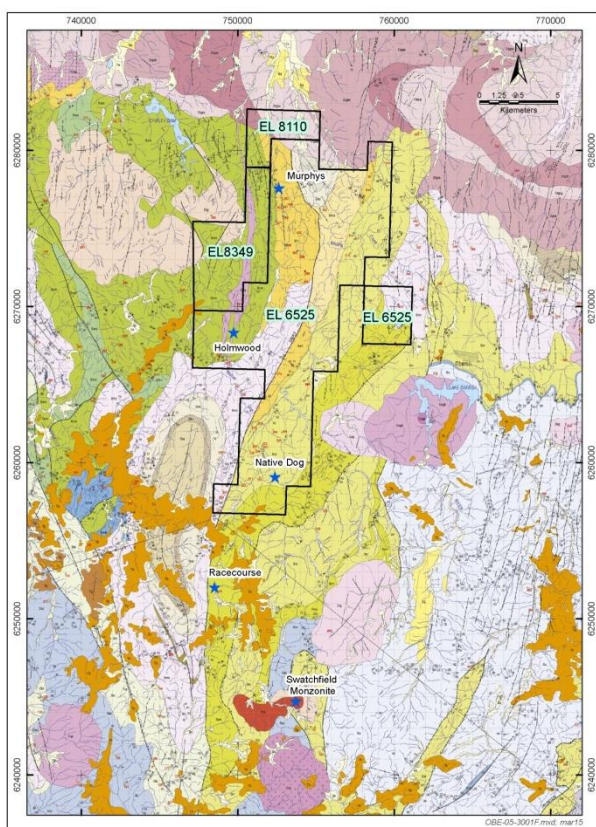
The project area covers Siluro-Devonian and Ordovician volcanic rocks of the Hill End Trough and the Macquarie Volcanic Arc and is located on the eastern side of the Lachlan Orogen. The Siluro-Devonian volcano-sedimentary rocks in this region are host to VMS-related gold-base metal (McPhillamys, Lewis Ponds) and orogenic gold-vein (Hill End, Lucknow) deposits. Ordovician volcanic rocks within the project area are of a similar age and composition to those hosting the multiple gold-copper porphyry and gold-copper skarn deposits found in the nearby Cadia district. The Oberon Project area is therefore prospective for similar styles of mineralisation. Carboniferous granites intrude both of the older rock sequences and the edges of these intrusions are prospective for gold skarn deposits (Lucky Draw, Browns Creek).

EL 6525 contains the 150,000-ounce *Murphys* gold deposit (see ASX announcements of 3rd and 10th July 2013) from historic drilling which 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.

No field work was conducted during the quarter. A new exploration licence, EL 8349 *Holmwood*, was granted to ARX for an initial period of 3 years commencing 12 March 2015. It comprises 10 units (approximately 28 square-kilometres) and adjoins the western boundary of EL 6525 *Oberon* and southern boundary of EL 8110 *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. The total area of this tenement package, including the new EL 8349, is approximately 199 square-kilometres.

The new licence area is 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 new licence area is believed to be relatively underexplored by previous companies and may have potential for porphyry copper-gold mineralisation. 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. The initial work program on EL 8349 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.

ARX expenditure on the Oberon Project for the quarter totalled A\$7,672.



**Figure 4. Oberon Project
Tenement Locations on
Regional Geology**

Mount Garnet Project, Queensland (100% Snowmist, ARX has option to earn in)

The **Mount Garnet** Project, located near the major regional centre of Cairns, comprises three Mining Leases (ML's 4363, 4390, 20018) covering about 150 hectares that are 100% held by Snowmist Pty Ltd ("Snowmist"), and an exploration tenement (EPM 25343) covering about 17 km² that is held by Arc Exploration Limited ("ARX").

ARX holds an option agreement with Snowmist Pty Ltd ("Snowmist") to farm into their package of mining tenements containing the *Triple Crown* gold deposit, which contains a drill-indicated gold resource estimated to be 69,000 ounces and includes a small oxide resource of about 25,000 ounces gold (see ASX announcement of 21st August 2013). Historic drilling at Triple Crown has produced some broad low-grade gold intercepts including 22m at 2.33 g/t gold, 51m at 1.73 g/t gold and 35m at 1.39 g/t gold.

The project area lies in the Mount Garnet tin-base metal mining subdistrict of the Herberton Tinfield and within the southern end of a discontinuous belt of Siluro-Devonian calcareous metasedimentary rocks (Chillagoe Formation) that is bounded by the major regional Palmerville fault and intruded by Permo-Carboniferous granites. These rocks are host to a number of gold-base metal-tin skarn and disseminated gold-base metal-tin stockwork/breccia deposits in the region, including Red Dome (gold-copper), Mungana (gold-zinc) and King Vol (zinc) in the Chillagoe district, and Mount Garnet (zinc-copper), Gillian (tin) and Triple Crown (gold) in the Mount Garnet district.

During the quarter ARX conducted follow-up rock sampling in a large area of strong base metal anomalism that was highlighted by soil sampling in late 2014 (see ASX announcement of 17th December 2013). A total of thirty seven (37) rock samples were collected within a north-south elongated lead-zinc-(copper) soil anomaly that extends over at least 1-km length. Lead was most strongly elevated in the previous results at Stockies and the soil anomaly is highlighted by greater than 200 ppm Pb (Figure 5).

Selected grab samples were taken from patchy outcrops and residual float of highly weathered and oxidised, quartz veined and gossanous, fine-grained clastic metasedimentary rocks located along the mineralised trend highlighted by the original Pb soil anomaly.

Twenty-eight of the 37 samples returned anomalous lead results ranging from 231 ppm Pb to 3.96% Pb (averaged 5627 ppm Pb) (Table 2). Some zinc and copper results were also anomalous and returned peak values of 4140 ppm Zn and 1750 ppm Cu, respectively. Anomalous silver, bismuth, tungsten and tin results were also returned with peak values of 371 ppm Ag, 558 ppm Bi, 910 ppm W and 125 ppm Sn, respectively. Gold results were generally very low but for one elevated result of 0.13 ppm Au.

The Pb-Zn-Cu-Ag-Bi-W-Sn metal association highlighted by these rock chip results indicate the presence of a granite-related mineralisation system at Stockies, similar to those that have produced a multitude of polymetallic mineral occurrences in the Herberton-Mount Garnet mining district.

Stockies Prospect is located about 3 km north-northwest of the historic Mount Garnet zinc mine. The Mount Garnet zinc-copper deposit had a published resource of about 2 Mt at 9% Zn & 0.5% Cu. The Mount Garnet mine is owned by Snow Peak Mining and the plant site continues to operate and produce base metal concentrates from other deposits mined in the region.

Both Stockies and Mount Garnet Mine are hosted in the same rock unit, the Chillagoe Formation. Clastic metasedimentary rocks, similar to those mapped at Stockies, are recorded in the Mount Garnet mine where they are interbedded with limestone, calc-silicate rock and mineralised skarn. It is inferred that the anomalous metal association reported in the rock geochemistry at Stockies could indicate the presence of a mineralised skarn at depth or along strike from this prospect.

The large multielement soil and rock anomaly defined at Stockies has never been drill tested. Geological mapping of this prospect is in progress to help better define the target. In addition, ARX is evaluating the potential to develop the small oxide gold resource in Triple Crown gold deposit, located on a mining lease about 2-km west of Stockies.

ARX expenditure on the Mount Garnet Project for the quarter totalled A\$39,027.

**Figure 5. STOCKIES PROSPECT – Tenements & Geology Map (Left)
Contoured Lead Results in Soil & Rock Chip Locations with Pb Results (Right)**

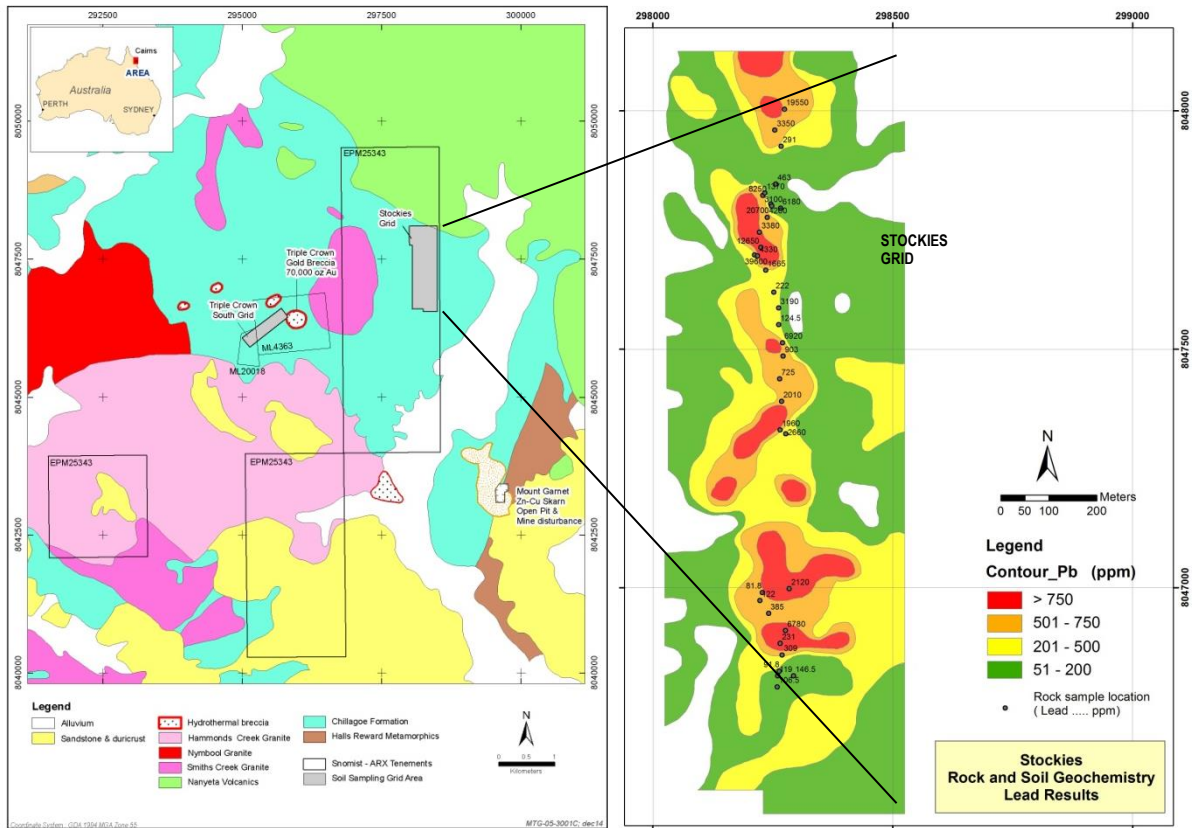


Table 2. STOCKIES PROSPECT – Rock Chip Assay Results

Sample ID	mE	mN	mRL	Pb ppm	Zn ppm	Cu ppm	Ag g/t	Bi ppm	W ppm	Sn ppm	As ppm	Sb ppm
20651	298238	8047777	704	4260	478	169	3.31	39.7	9.6	1.1	8.5	4.35
20652	298246	8047805	702	20700	199	1680	1.27	0.57	16.6	4.5	64.0	7.41
20653	298248	8047801	701	3100	34	292	2.21	1.77	290	0.3	8.9	2.05
20654	298266	8047796	701	6180	124	422	6.0	31.7	910	1.3	17.5	18.3
20655	298229	8047823	699	8250	389	752	11.5	2.12	28.9	0.8	15.9	10.8
20656	298233	8047828	696	1370	462	436	32.7	0.14	8.6	0.4	28.9	2.56
20657	298256	8047847	699	463	42	53	0.38	1.48	42.4	0.8	3.5	5.05
20658	298267	8047926	703	291	391	82	0.54	0.21	4.5	0.8	9.3	1.33
20659	298254	8047960	706	3350	521	258	3.67	0.23	2.3	1.2	193.5	1.32
20660	298274	8048004	707	19550	2840	1150	17.0	0.19	38.3	1.7	449	12.3
20661	298212	8047698	706	39600	4140	1750	15.4	82.9	36.5	3.9	178.5	39.7
20662	298218	8047696	707	4330	68	63	8.0	20.1	2.0	39.7	31.0	7.14
20663	298225	8047714	706	12650	318	374	1.75	25.9	5.3	11.5	41.5	9.61
20664	298222	8047746	706	3380	799	226	1.6	5.40	4.5	0.8	19.1	6.30
20665	298277	8047323	694	2660	122	37	324	558	6.4	0.6	1.8	1.24
20666	298265	8047331	699	1960	349	259	371	218	39.7	1.4	5.6	2.88
20667	298268	8047391	700	2010	74	142	17.7	2.45	2.8	0.6	11.2	6.57
20668	298264	8047438	701	725	34	73	6.18	46.7	1.4	5.8	16.6	3.43
20669	298271	8047486	704	903	54	47	3.53	3.71	51.5	3.1	5.1	2.13
20670	298270	8047514	707	6920	98	147	2.93	1.25	510	1.1	8.1	2.26
20671	298262	8047552	708	124	69	409	0.29	0.76	3.1	1.8	23.8	1.21
20672	298262	8047587	713	3190	147	72	14.85	2.53	17.7	1.7	6.1	12.4
20673	298252	8047620	715	222	42	215	0.21	0.12	4.1	0.8	12.8	6.44
20674	298235	8047666	715	1665	102	45	2.34	49.5	5.7	11.3	11.9	2.64
20675	298238	8047777	704	133	8	7	0.47	0.75	1.3	0.4	2.3	1.07
20676	298246	8047805	702	37	6	16	0.05	0.28	1.9	1.8	4.5	2.33
20701	298293	8046815	706	146	12	6	0.19	0.17	0.8	0.3	4.9	7.27
20702	298260	8046815	706	119	24	16	0.18	0.16	1.0	0.2	3.1	5.39
20703	298259	8046792	706	106	18	15	0.27	0.14	0.6	0.4	3.3	5.54
20704	298263	8046825	705	91	24	12	0.17	0.10	1.3	0.4	5.4	4.34
20705	298269	8046859	704	309	275	189	2.19	0.28	0.8	1.0	11.8	5.14
20706	298265	8046883	702	231	15	18	0.20	0.18	0.6	0.4	4.8	1.82
20707	298276	8046910	702	6780	45	174	37.7	4.40	0.6	125.0	2740	7.36
20708	298241	8046946	698	385	33	22	0.30	0.92	0.5	1.3	7.7	1.48
20709	298228	8046990	693	81	53	30	0.14	0.21	0.8	0.6	3.9	0.88
20710	298223	8046973	695	122	8	9	0.29	0.15	0.3	1.2	25.9	1.05
20711	298284	8046998	695	2120	224	122	0.70	0.32	1.1	2.9	17.1	3.79

This report is dated 9 April 2015.

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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.

The information in this report that relates to the *Dobroyde* and *Murphys* gold resources is extracted from the report entitled Junee and Oberon Projects - Statement of Resources created and released to the ASX on 10 July 2013.

The information in this report that relates to the *Triple Crown* gold resource is extracted from the report entitled Mount Garnet Project - Statement of Resources created and released to the ASX on 21 August 2013.

The report referred to above is available to view on the Company's website: www.arcexploration.com.au The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 3. Details of Tenements & ARX Interest

Project	Location	Tenement	Area (km ²)	ARX Interest
Trenggalek	East Java, INDONESIA	Exploration IUP	300 km ²	95%
Oberon	New South Wales, AUSTRALIA	EL 6525 EL 8110	160 km ² 11 km ²	Farm-in Farm-n
Junee	New South Wales, AUSTRALIA	EL 6658 EL 6768 EL 8152	14 km ² 20 km ² 36 km ²	Farm-in Farm-in 100%
Mount Garnet	Queensland, AUSTRALIA	ML 4363 ML 20018 ML 4390 EPM 25343	129 ha 21 ha 1 ha 17 km ²	Under Option Under Option Under Option 100%

Table 4. Exploration/Mining Tenements Acquired/Disposed of during the Quarter

Project	Location	Tenement	Area (km ²)	ARX Interest
Oberon	New South Wales, AUSTRALIA	EL 8349 New licence	28 km ²	100%
Junee	New South Wales, AUSTRALIA	EL 6658 Expired licence	14 km ²	None (Part of Farm-in with NSR)

JORC Code, 2012 Edition – Table 5 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The results relating to this announcement on the Sentul Prospect at Trenggalek are from quarter-core samples taken from the following holes that were drilled on the West Sentul Vein by ARX in 2010: TRDD001, TRDD002, TRDD003, TRDD004, TRDD005, TRDD007 & TRDD018. A total of 52 samples was split from the 2010 drill core and sent to the internationally accredited laboratory of PT Intertek Utama Services in Jakarta for Cyanide Bottle Roll Test to assess the possible gold extraction of the individual sample material by cyanide leaching. The individual samples represent a range of gold grades and weathering/oxidation conditions through the West Sentul vein system. Quarter-core was collected over about 1m intervals from which 1.5-2.5kg sample was crushed & pulverised for analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Man-portable diamond drilling for PQ3, HQ3 & NQ3 size core was used in the 2010 drilling program.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recovery was measured directly from inner tube splits during the 2010 drilling program and was high (>95%). Core remaining in core trays was also measure for recovery for the resampling program reported herewith.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The entire drill core was previously logged by project geologists both qualitatively and quantitatively and recorded on drill logs and as summarised computer logs. Logging recorded rock types, alteration, mineralisation, physical rock properties & geotechnical characteristics. There is a complete photographic record of the drill core.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • A total of 52 quarter-core samples were split from the half-core remaining in core boxes from the previous program. Samples were chosen to reflect a range of gold grades and variations in weathering. • Core splitting was done using a petrol-driven diamond-blade core saw at the company's storage shed in Trenggalek. • The quarter-core sample intervals were 1m length and were chosen at discontinuous points down each of the holes from PQ or HQ-size cores. The resulting sample weights varied from about 1.5-2.5kg depending on the core size. • The samples were packed and dispatched by road in secured boxes for delivery to the Intertek Laboratory in Jakarta. • At the laboratory, each sample was sorted, weighed (wet), oven dried at 105°C for 12-hours and weighed (dry). • The entire sample was jaw crushed to 5mm size rock fragments and completely pulverised to a nominal 95% passing 75 micron or 200 mesh particle size. <i>Gravel wash and air spray applied between each sample to avoid cross-contamination.</i> • Each sample pulp was riffle split to obtain: <ul style="list-style-type: none"> 1) 250g for a 50g charge fire assay to estimate the gold (Au) head grade. 2) 500g for Bottle Roll analysis to estimate the cyanide-extractable gold (Au-CN). 3) Remaining Bulk Residue kept for storage. • The sampling methodology, sample size & preparation protocols re considered to meet the industry standard.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • The sample preparation & assaying techniques used are considered appropriate to the sample medium reported; assaying was done on a sub-split of the original sample material • <u>Gold Head Grade:</u> <ul style="list-style-type: none"> - Obtained on a 50g charge for a lead collection fire assay with an AAS finish - Provides an estimated 'head grade' or 'expected grade' of the material sampled. • <u>Bottle Roll Cyanide-Gold Leach Grade:</u> <ul style="list-style-type: none"> - 500g sample pulp placed in 2.5 litre plastic bottle from each sample - Water, NaCN, lime & magnafloc added & monitored to maintain recommended pH & CN⁻ conditions

Criteria	JORC Code explanation	Commentary
		<p>during bottle rolling / agitation over 36 hours</p> <ul style="list-style-type: none"> - Gold & silver determination of the cyanide liquor by DIBK extraction and then a flame AAS finish - The residual cyanide slurry is pressure filtered & washed for gold tail analysis • <u>Bottle Roll Residue ('Tail') Grade:</u> <ul style="list-style-type: none"> - Obtained on a 50g charge for a lead collection fire assay with an AAS finish - Tests for gold <i>not</i> leached by the cyanide liquor but left behind in the solids. • Intertek inserts and reports the results of its commercial gold standards (1:10/20), blanks, duplicate and replicate samples. • The standards & repeat assays report within acceptable levels of accuracy.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No external check assaying has been done on the results reported herewith. • The company adopts its own internal data verification, data entry & data storage protocols. Primary data was documented on standardised paper-log templates and then this data was entered into Excel spreadsheets and validate prior to import into other software for analysis. • There was no adjustment of the original assay data reported by Intertek.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Drill-hole collars were surveyed using a Garmin "GPSMAP" 60 CSx instrument giving ± 3 m accuracy. • Down-hole surveying (magnetic azimuth, hole dip, magnetic susceptibility & temperature) was measured by the drilling contractor in conjunction with ARX personnel using a Cameq Proshot survey instrument at 30 m intervals down the entire hole and with the last reading at the end of the hole. • The drill hole collar coordinates are reported on the WGS 84 / UTM Zone 49S grid datum. • Magnetic azimuth is converted to UTM azimuth (+1.25 degrees) for plotting.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • The samples were taken from two drill sections along the West Sentul Vein that are about 50m apart. • There is sufficient data to establish geological continuity of the West Sentul vein between these two sections • There is insufficient data to establish a mineral resource. • Sample compositing was <u>not</u> applied to the results presented in this announcement.
Orientation of data in relation to geological	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible 	<ul style="list-style-type: none"> • The drill holes from the which the samples were taken have intersected the West

Criteria	JORC Code explanation	Commentary
<i>structure</i>	<p><i>structures and the extent to which this is known, considering the deposit type.</i></p> <ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	Sentul Vein at moderate to high angle and therefore achieves representative sampling across the mineralised vein structure
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were collected at the core shed in labelled calico bags and were securely sealed and stored on site until delivery by road to Intertek laboratory in Jakarta via a local transport service and the Company's own vehicles. No other security measures were undertaken.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No independent audits or reviews of the sampling techniques were undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> Sentul Prospect lies within the SE corner of Indonesian Exploration IUP ("Ijin Usaha Pertambangan") held by PT. Sumber Mineral Nusantara ("SMN"). ARX has a joint venture with SMN and has a 95% interest in the Trenggalek Project. Sentul Prospect is mainly covered by government forestry land have production & partly protected status. SMN/ARX hold a valid <i>Pinjam-Pakai</i> Permit to work on the forestry land and negotiates access to other land with individual landowners.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The prospect area was previously held under an earlier tenement by PT Aneka Tambang ('Antam') in the 1990's. Antam did surface trenching and drilled a few exploration holes outside of the mineralised segment of the West Sentul Vein reported herewith. There are no earlier material results to report.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Trenggalek is located in the Southern Mountains of East Java, which comprises an older segment of the highly prospective Sunda-Banda magmatic arc. The Southern Mountains is composed of Oligo-Miocene and younger volcanosedimentary rocks, limestone and intermediate-felsic igneous intrusions that are prospective for epithermal-style and porphyry-related gold-base metal deposits. The giant Tumpangpitu porphyry copper-gold-molybdenum and associated epithermal gold-

Criteria	JORC Code explanation	Commentary
		<p>silver deposit is located about 200 km from Trenggalek at the eastern end of the Southern Mountains. Tumpangpitu is believed to be hosted in rocks that are similar to those underlying the Trenggalek project area.</p> <ul style="list-style-type: none"> • Sentul, located in the SE corner of the IUP, is a substantial intermediate-sulphidation epithermal vein system hosted in andesitic-dacitic volcanoclastic rocks with minor intercalated limestone intruded by high-level andesite-dacite plugs. It consists of two main parallel NE-SW trending veins connected by sigmoidal en echelon veins. Veins are up to 10-15 m wide and have greater than 10 km collective strike length. They are composed of polyphasal microcrystalline to fine-grained quartz with minor carbonate and disseminated sulphides (pyrite, arsenopyrite, base metal sulphides) and show hydrothermal breccia, banded and massive textures. Wall rock alteration is predominantly illitic clay/sericite, chlorite & pyrite with epidote becoming more prominent at deeper levels of the system. • Three holes on the West Sentul Vein have returned narrow high-grade gold intercepts (>10 g/t gold) down to a maximum depth of 150 m below surface, including one intercept of 2 m at 17.2 g/t gold within 9 m at 4.5 g/t gold in the deepest hole TRDD-4. • Sentul is located close to 'porphyry systems' at nearby Jerambah & Singgahan prospects that were reported by ARX from exploration in drilling in 2014.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • A total of 1784 m in 13 inclined holes was previously drilled on West Sentul Vein in 2010 and 2011. Complete drill hole details and summary intercepts have been previously reported in ARX announcements, quarterly & annual reports of 2010 and 2011.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<ul style="list-style-type: none"> • Not relevant to the results in this announcement. Results here are reported against individual sample intervals.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The results reported in this announcement reflect individual samples intervals and no mineralised width is assumed or stated.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Diagrams are included with this announcement.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Representative reporting of the relevant results has been provided in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> There is no other substantive data to report other than what has appeared in previous announcements on the Sentul Prospect by ARX during 2010 and 2011.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further drilling and metallurgical test work may be undertaken at Sentul in the future to define a potential gold resource.