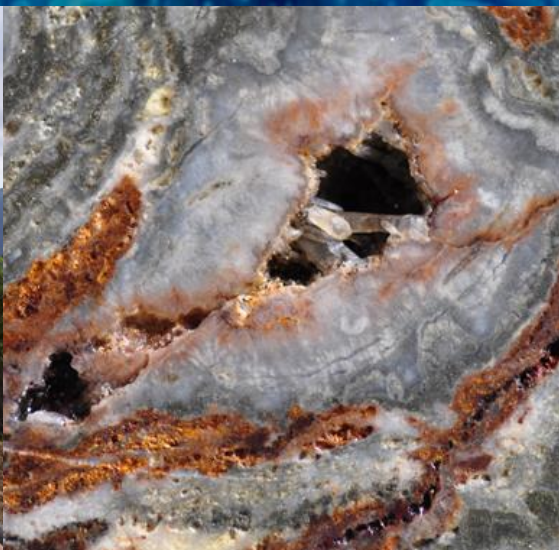




Creating Value Through Exploration

# Investor Presentation

AGM - May 2015



# ARX Strategy and Investment Proposition

- Two pronged strategy: cash-flow generation and prospect generator
- Focus on high grade gold and large copper-gold deposits in Indonesia and Australia
- Management have over 30 years' presence in Indonesia, have made three major discoveries, and have extensive business contacts and cultural expertise
- Short-Term Cash Flow Generation
  - Mt Garnet – Mining Leases with production potential on gold-oxide ore
- Prospect Generator - Multiple active projects, able to attract major partners
  - Trenggalek – Gold and Copper potential
  - Junee – Historic high grade intercepts and copper potential
  - Oberon – Gold resource with potential to grow with copper prospect
- Well positioned to create substantial value

# Corporate Profile

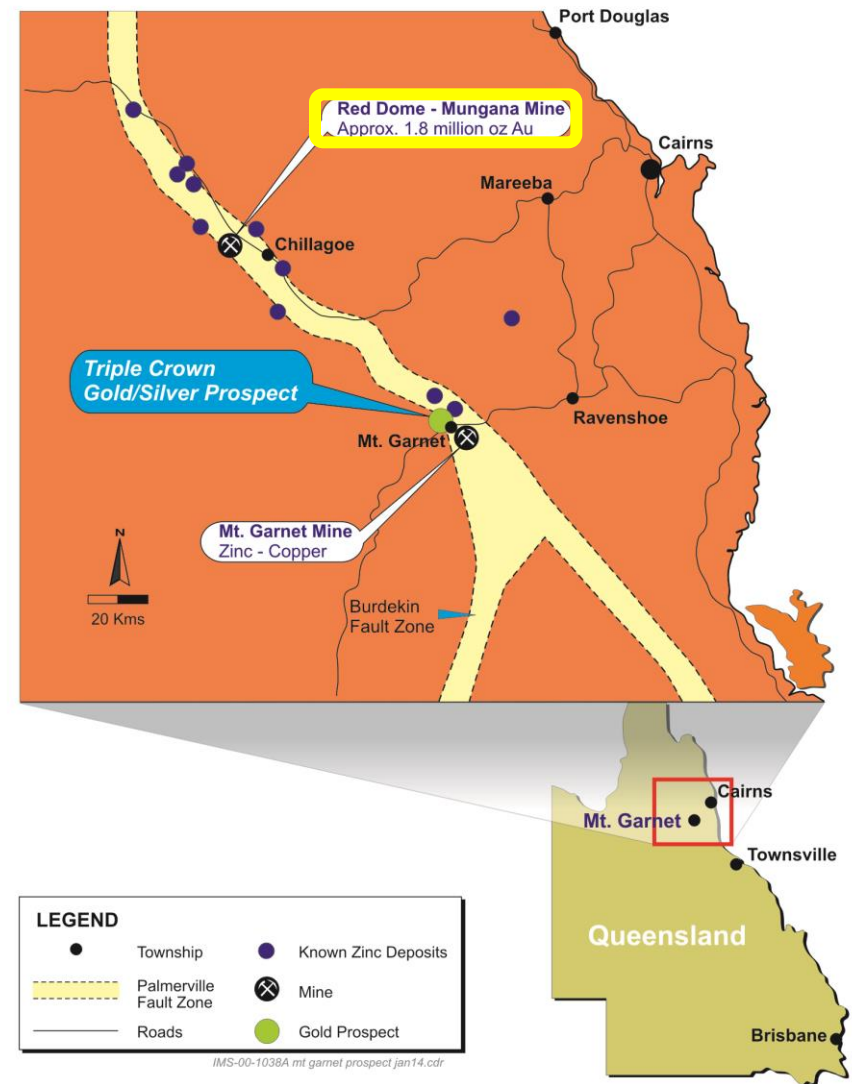
- ASX Code: ARX
- Shares outstanding: 1,063 million
- Average volume of 520,000 shares per day
- Major shareholders:
  - Treasure Key Investments 13.0%
  - Directors and Management 5.9%
  - Southo Investments Ltd 5.3%
  - ANZ Bank 4.5%

*"We combine entrepreneurial flair with strong management skills and depth of relationships in Indonesia and Australia. We have a culture of drive and enthusiasm for delivering results, without compromising on quality, whilst respecting all stakeholders. With our talented and committed staff, Arc Exploration can deliver strong results over the medium-term."*



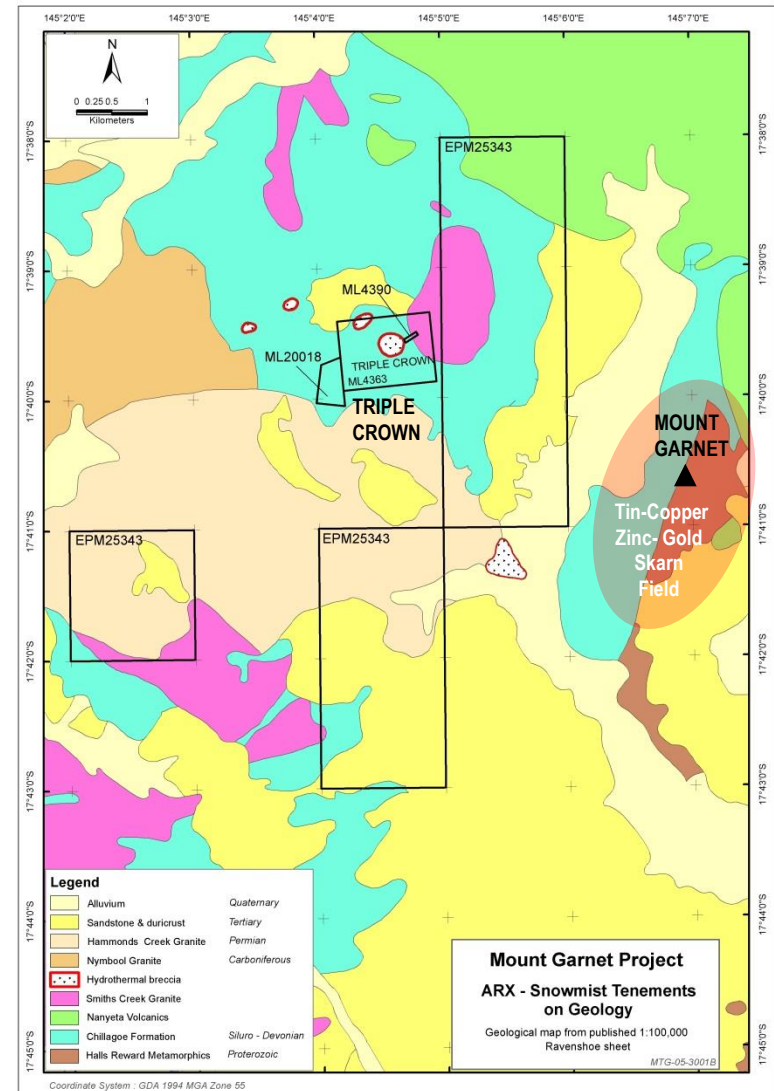
# Cash Flow Potential - Mt. Garnet, QLD

- **Three Mining Leases & one Exploration Licence** (~18km<sup>2</sup>)
- **Established mining district, excellent infrastructure, 3km from Mt Garnet mine**
- **JORC Indicated Resource**  
2.1 Mt @ 1 g/t Au (at 0.3 g/t cut-off)  
About 69,000 oz Gold, 628,000 oz Silver  
**35% Oxide (~24,000oz gold), 65% Sulphide**
- **Assess potential for initial small-scale heap leach gold production from oxide ore**
- **Exploration potential for Au and Zn**
- **ARC has an option to JV until 18 August 2015** (commitment \$150,000). To earn 51% ARC needs to spend \$500,000 by August 2017; to earn 80% ARC needs to spend a further \$580,000 by Aug 2018.



# Mt. Garnet – Zn-Au Skarn & Breccia Pipe

- Triple Crown – disseminated Au-Zn sulphide within the granite-hosted breccia
- Skarn developed close to the gold breccia within the MLs (Triple Crown South)
- Same host rock as that hosting the Mount Garnet polymetallic skarn field located ~3km to the east
- Historic drill intercepts (previous drilling < 200m):  
12m at 0.7 g/t Au & 1.4% zinc from 85m  
6m at 0.6 g/t Au & 2.9% zinc from 44m
- Prospects identified in adjacent exploration licence (EPM25343)
- Targeting:
  - **High Grade Zinc ( $\pm$  Cu, Pb, Au, Ag, Sn, W) skarn** (e.g. Mungana/King Vol, Mount Garnet)
  - **Gold Breccia Pipes** (e.g. Red Dome, Mt Wright)





# Project Generation: Exploration



- TRENGGALEK - OBERON – JUNE

Seeking third party funding to explore for gold-copper resources

Advantages:                Reduces the Risk and Costs of Exploration  
                                     Provides advanced exploration technologies, development & mining expertise



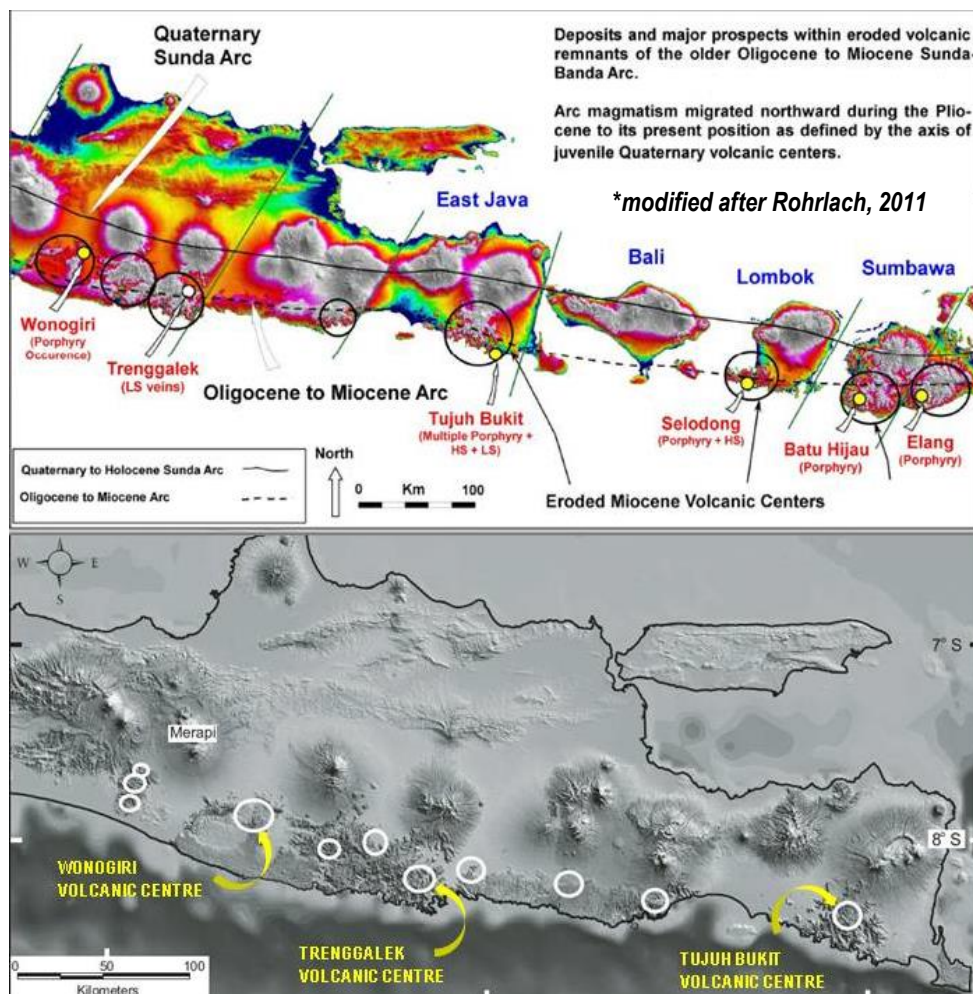
# Trenggalek, Indonesia

## Tujuh Bukit as an analogue

- 1.9 Bt @ 0.45g/t Au, 0.45% Cu for 28Moz gold, 8.6 Mt copper (porphyry sulphide) and
- 89 Mt @ 0.7g/t Au, 21-27g/t Ag for 2.1 Moz gold 73 Moz silver (epithermal oxide)

## Trenggalek

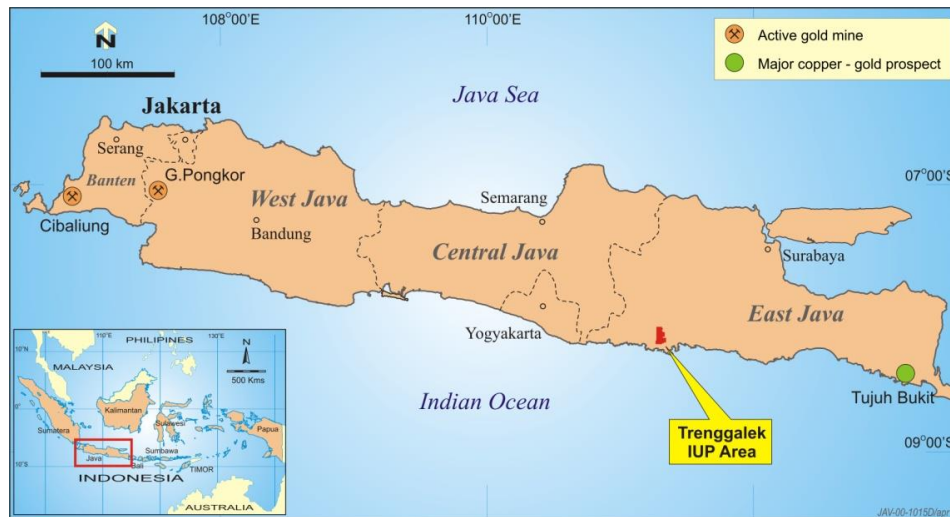
- World class porphyry belt
- Similar geology, geophysics and geochemistry with Tujuh Bukit
- Large alteration footprint
- Multiple prospects
- Easy access and logistics
- Local Government, Community and Forestry support
- Anglo American spent \$3.5m before pulling out of JV due to global realignment of priorities
- Arc has 95% interest



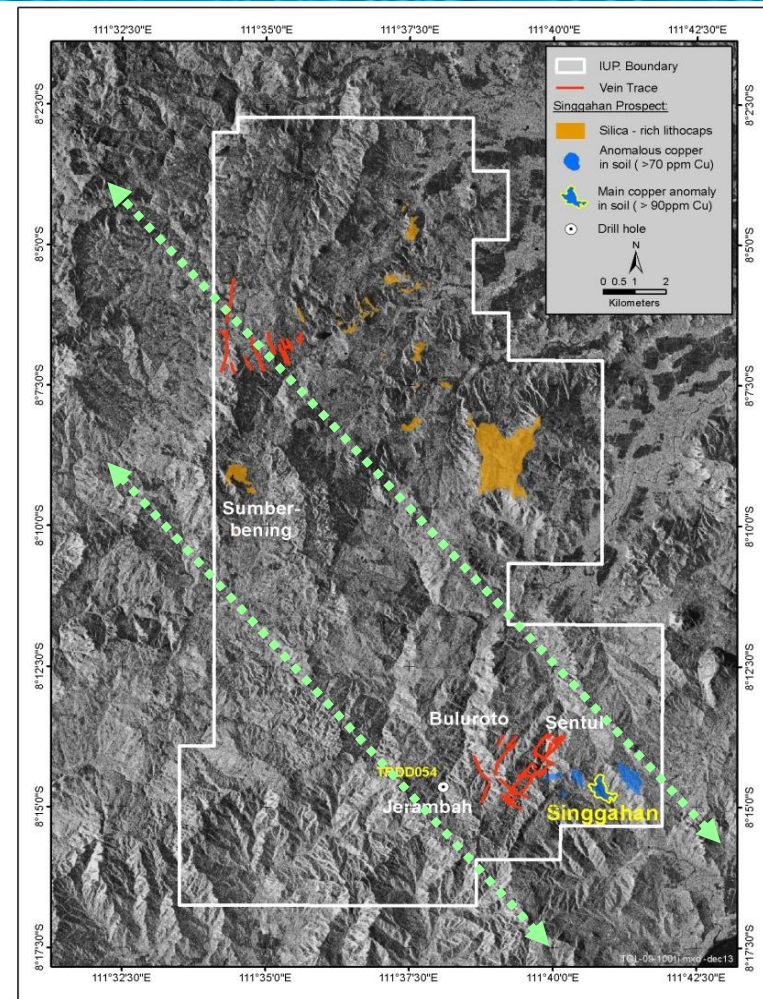
**MULTIPLE TARGETS !!**



# Trenggalek – Epithermal ± Porphyry



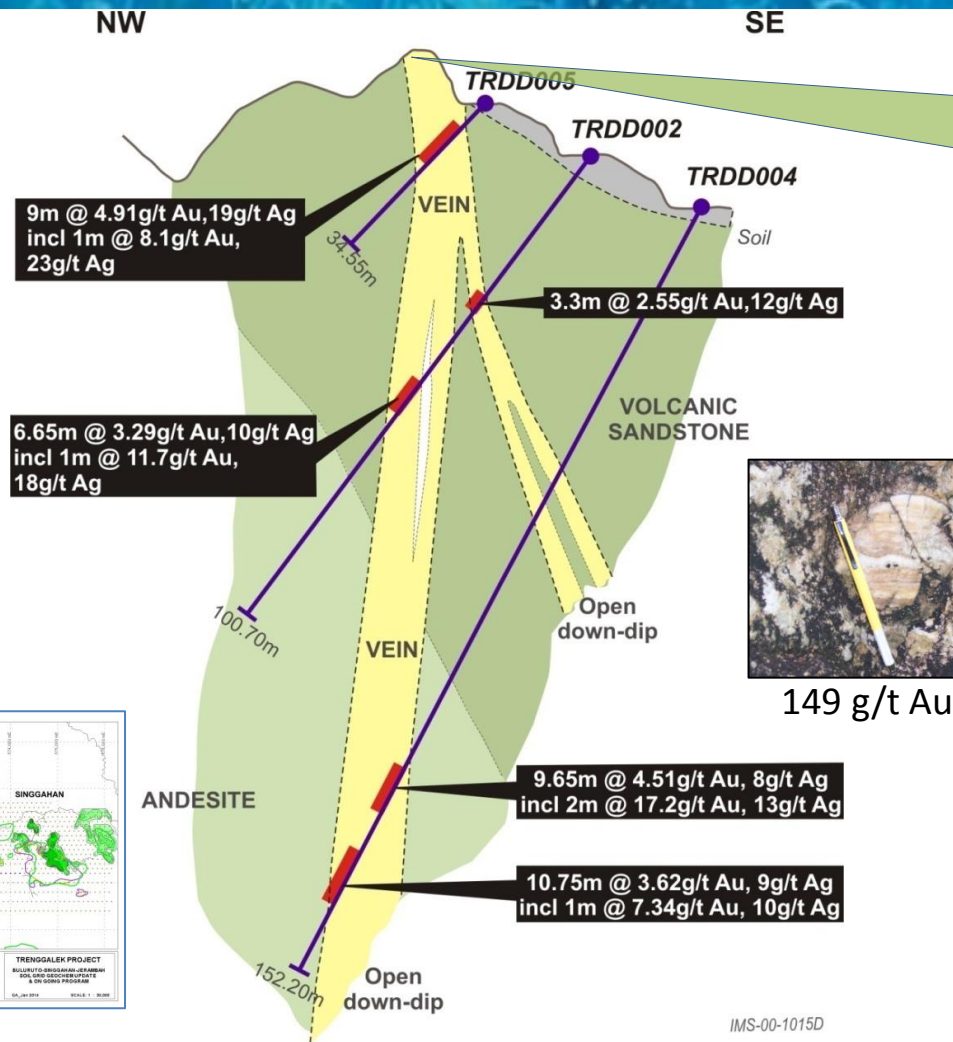
- 30,000 Ha (300 Km<sup>2</sup>)
- Ground geophysical surveys (IP and Magnetics)
- 3,675km of airmag, radiometric and DTM
- > 6,600 m scout diamond drilling – 53 holes
- Identified high grade gold at Sentul (e.g. 9m @ 4.9 g/t Au, 19 g/t Ag and 10.7m @ 3.6 g/t Au, 9 g/t Ag)
- Copper sulphide at Buluroto (24.5 m at 0.2% Cu, 0.5 g/t Au, 16 ppm Mo)
- Scout holes at Buluroto district hit porphyry margins



**HIGH GRADE EPITHERMAL GOLD VEINS NEAR SURFACE  
AND POTENTIAL FOR PORPHYRY COPPER-GOLD AT DEPTH**



# Sentul Prospect – High Grade Veins



**ABOUT 5-10 KM LONG VEIN SYSTEM, LESS <10% TESTED**

# Junee, New South Wales

- Four exploration licences (87km<sup>2</sup> )
- Dobroyde - JORC Indicated Resource  
2.1 Mt at 1.15g/t Au (0.3 g/t cut-off)
- About 77,000 oz; mostly gold-sulphide with minor oxide
- To earn 51% ARC needs to spend \$500,000 by July 2016
- To earn 80% ARC needs to spend a further \$580,000 by July 2017
- 3D Model, 3D IP and 3D High-Resolution Magnetics completed
- Previous drilling < 200m vertically; potential for additional gold - base metal resources in Silurian felsic volcanics and quartz stockworks





# Junee – Spectacular Grades

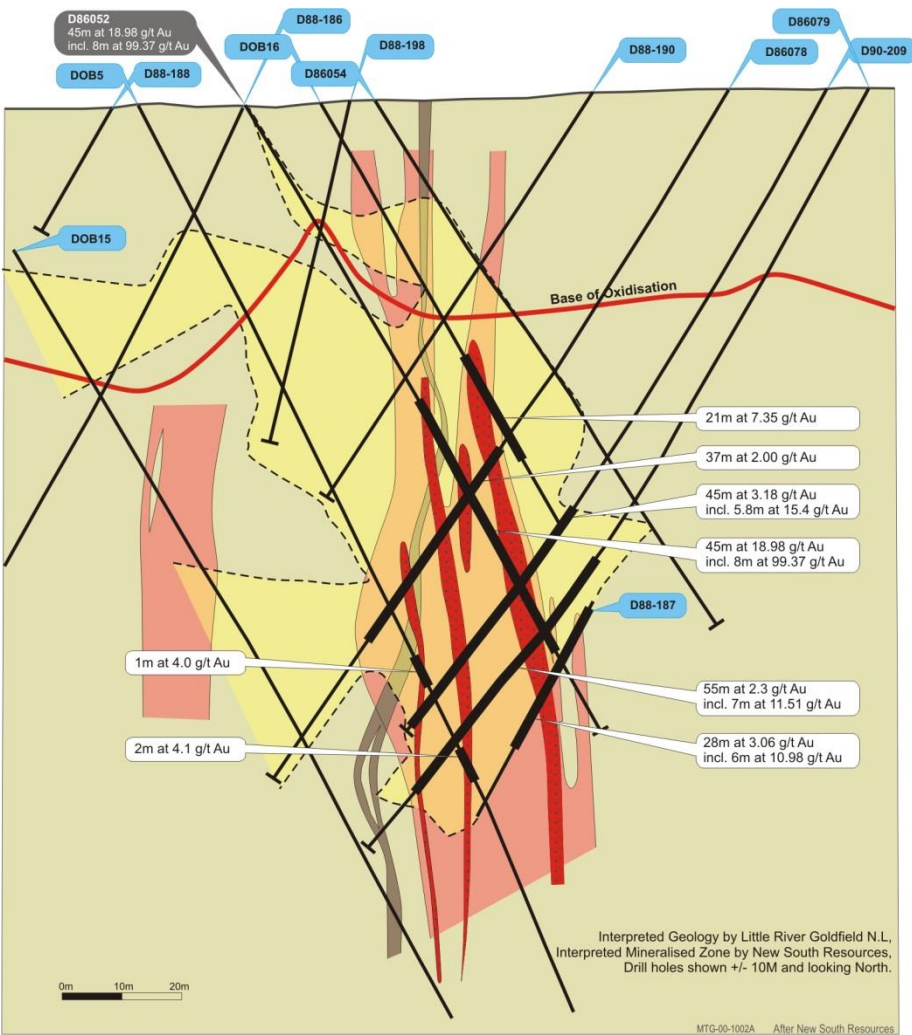
| Hole ID  | Company                | Year | Hole Type    | From (m)   | To (m)     | Length (m) | Au g/t        |
|----------|------------------------|------|--------------|------------|------------|------------|---------------|
| DOB11    | Getty Oil              | 1984 | RC / Diamond | 57         | 82         | 25         | 6.27          |
| D86-040  | Little River Resources | 1986 | RC           | 45         | 51         | 6          | 5.22          |
| D86-052A | Little River Resources | 1986 | RC / Diamond | 92         | 114        | 22         | 37.3          |
| D86-053  | Little River Resources | 1986 | RC           | 49         | 54         | 5          | 6.45          |
| D86-078  | Little River Resources | 1986 | RC / Diamond | 76         | 82         | 6          | 18.21         |
| D86-079  | Little River Resources | 1986 | RC / Diamond | 121        | 149        | 28         | 3.54          |
| D86-080  | Little River Resources | 1986 | RC / Diamond | 96         | 130        | 34         | 3.66          |
| D86-081  | Little River Resources | 1986 | RC / Diamond | 63 and 82  | 76 and 83  | 13 and 1   | 5.47 and 29.5 |
| D87-104  | Little River Resources | 1987 | RC / Diamond | 71         | 95         | 24         | 3.23          |
| D87-110  | Little River Resources | 1987 | RC / Diamond | 105        | 121        | 16         | 10.54         |
| D87-121  | Little River Resources | 1987 | RC / Diamond | 69 and 154 | 86 and 162 | 17 and 8   | 5.02 and 6.1  |



Recent confirmation of Metallurgical Hole **22.5 m @ 8.75 g/t gold**



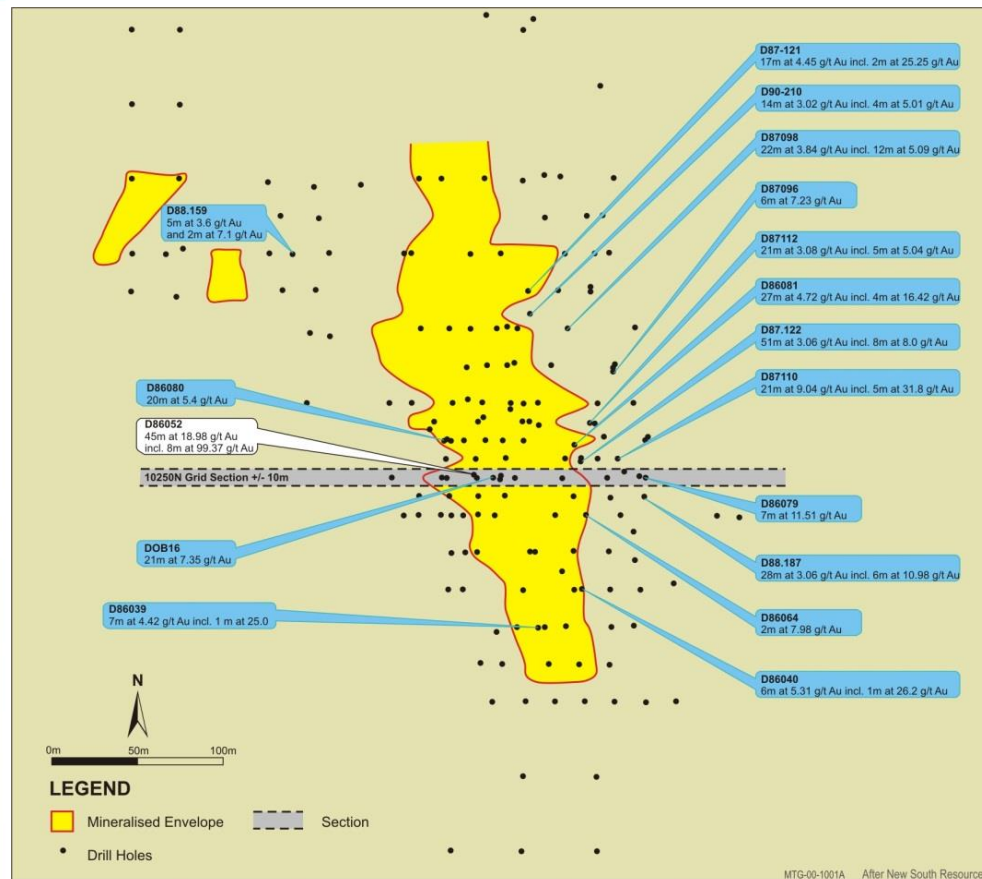
# Junee – Distinct High Grade Shoots



**LEGEND**

- Sulphide Breccia Zones
- Felsic Intrusive
- Silification & Argillic Alteration
- Mineralised Envelope
- Drill Holes

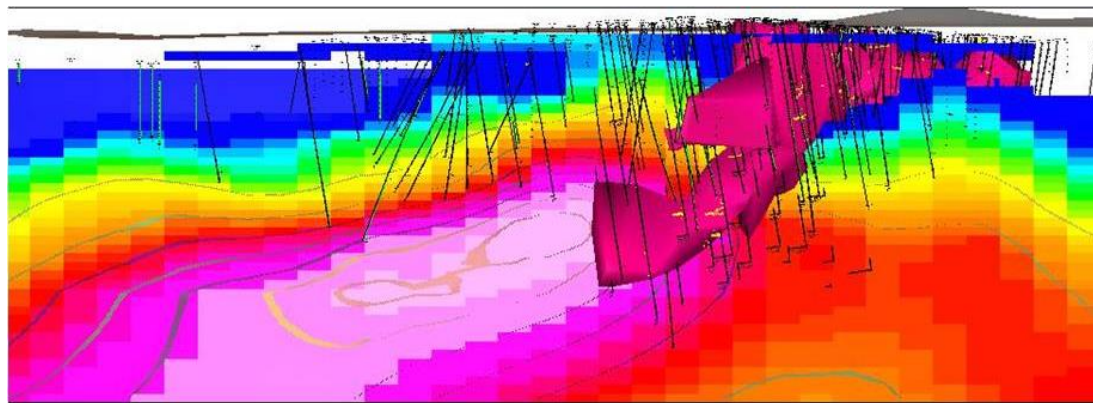
**Dobroyde Hill Gold Prospect 10250 Section**



**Dobroyde Hill Gold Prospect Drill Plan**



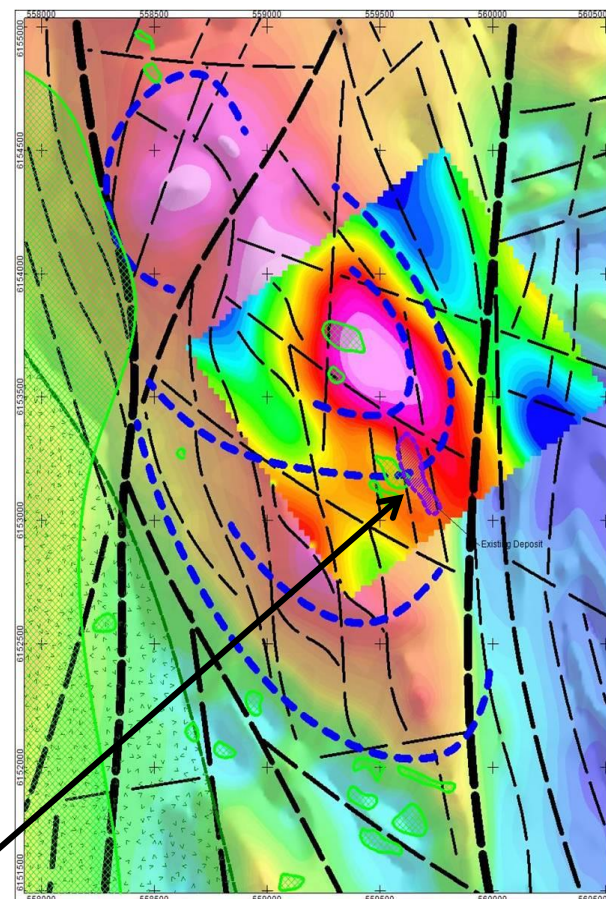
# Junee – Extension and Copper Potential



Top - Resistivity model showing resource envelope and resistivity high

Right – Resistivity map at 100m RL in magnetic background

**Targets identified for additional gold and porphyry copper potential**



Dobroyde

# Oberon, New South Wales

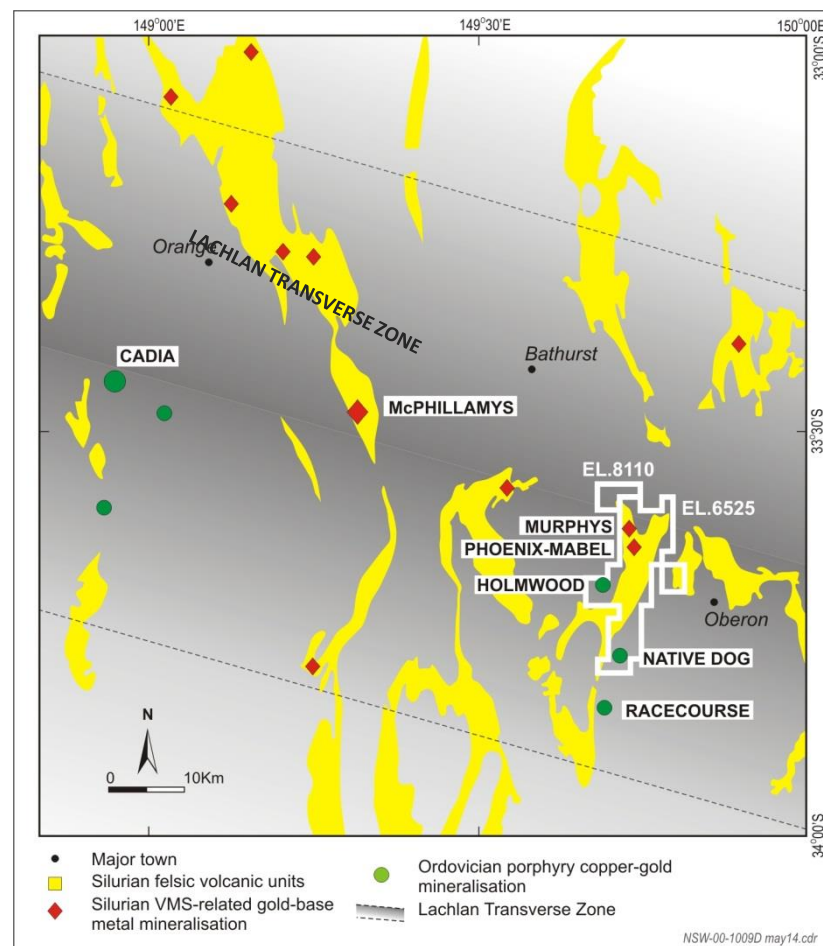
- Two exploration licences (171 km<sup>2</sup>) near mining infrastructure
- Murphys - JORC Inferred Resource  
5.3 Mt at 0.89 g/t Au (at 0.3 g/t cut-off)
- About 150,000 oz; sulphide gold
- To earn 51% ARC needs to spend \$500,000 by July 2016
- To earn 80% ARC needs to spend a further \$580,000 by July 2017





# Oberon - Porphyry and VMS

- Eastern side of the metallogenically significant Macquarie Arc & Lachlan Transverse Zone
- Province contains large gold-rich Ordovician porphyry deposits (e.g. Cadia & Northparkes) & Silurian VMS related gold-base metal deposits (e.g. Woodlawn, McPhillamys)
- Oberon contains highly prospective Ordovician and Silurian volcanic rocks; up to **4 g/t gold**, 240 g/t silver, **7% copper**, 9% lead and **18% zinc** from surface float and old mine dump samples
- Previous drilling < 200m vertically
- Complete coverage of airborne magnetics, radiometrics and gravity - anomalies identified



# Well positioned to create substantial value

- **Vision** – Value creation through exploration and monetisation of projects
- **Focus** - High impact high grade gold and large copper-gold deposits
- **Expert** - Arc knows Indonesia and Australia
- **Established** - Strong track record of mineral discoveries
- **Active** – Exploring with potentially transformative results
- **Well Balanced** – Diversified exploration portfolio with potential for cash-flow
- **Value** – Trading near cash equivalent with huge upside



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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 reports referred to above are available to view on the Company's website: [www.arcexploration.com.au](http://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 announcements 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.

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