



ARC EXPLORATION LIMITED

“INDONESIAN GOLD”

October 2010



Business Strategy:

1. Explore for gold in Indonesia to the Resource Stage;
2. Develop alliances with "Majors" eg. Anglo American in Papua; and
3. Secure additional gold projects in Indonesia.

Existing Gold Projects:

1. *Trenggalek – East Java*: Exploration Drilling 2011. Potential for both High Grade epithermal vein systems and bulk tonnage gold resources.
2. *Bima – East Sumbawa*: Scout Drilling 2011 - Gold-Soil & Gold-Rock Anomalies. Potential for shallow bulk gold + deeper gold & copper porphyry systems.
3. *Papua*: Strategic Alliance with Anglo American – 20% interest in Aisasjur a bulk gold and copper-gold porphyry system.



CORPORATE DATA

Issued Capital:	458 M ARX Shares 200 M ARXOA Options (Jan 2011 @ 3.6c) 43 M Directors & Management Options (Dec 2014 @ 3.6c) 18 M Unlisted Options (July 2012 @ 2.5 c)
Major Shareholders:	Southo Investments Limited 54 M – 11.3% ANZ Banking Group Limited 48 M – 10.5% Directors & Management 35M – 7.6%
Current Cash:	\$2M SPP (Closing Date: 27 Oct 2010) – Target \$2M



BOARD OF DIRECTORS

Bruce Watson – Non Executive Chairman; previously Head, Corporate Advisory & Equities at Westpac Institutional Bank and prior to that a founding director of Grant Samuel.

John Carlile – Managing Director; over 25 years experience in gold exploration in Indonesia. Previously held senior exploration positions in the Asian region including BHP and Newcrest. Track record of gold discovery in Indonesia.

George Tahija – Non Executive Director; President Director of the Austindo Group of Indonesia and also a Commissioner of Freeport Indonesia. Leading Indonesian businessman.

Robert Willcocks – Non Executive Director former senior partner with Mallesons Stephen Jaques. Corporate adviser to clients in the energy and mining sectors for more than 30 years.



MANAGEMENT

Brad Wake – Exploration Manager; Geologist with over 20 years experience in exploration for gold, base metals and tin in Australia and SW Pacific, including more than 10 years in Indonesia. Track record of gold discovery in Indonesia.

Renato Bobis – Chief Generative Geologist; over 25 years experience in gold, base metals exploration and acquisition in Asia-Pacific region. Track record of gold discovery in Indonesia and China.

Cahyono Halim – Chief Financial Officer; a medical doctor + MBA. 20 years experience in finance and M&A in Indonesia and Singapore.

Andrew Cooke – Company Secretary; Lawyer and Fellow of the Institute of Chartered Secretaries and Administrators. More than 20 years experience in legal and commercial aspects in the resource sector.



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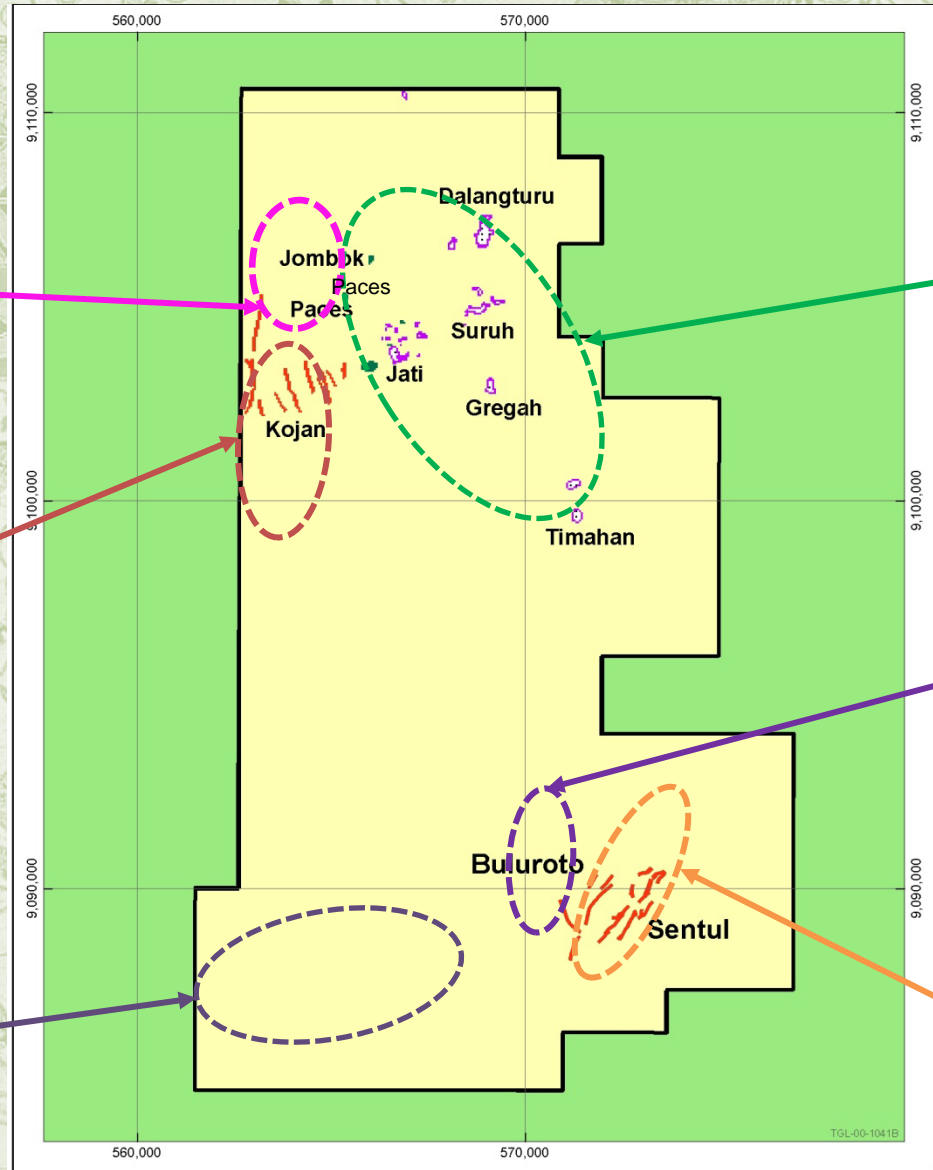


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High-grade Boulders (Au-Ag)
Along a +10km-long lineament

Epithermal Veins (Au-Ag)
1 km cumulative strike
Up to 4m-wide
>100m depth
Open in all directions

Drainage Anomalies (Au-As)
Untested



Silica/ Hydrothermal Breccias over Vein targets (Au-As-Sb)
Within ~50km² area

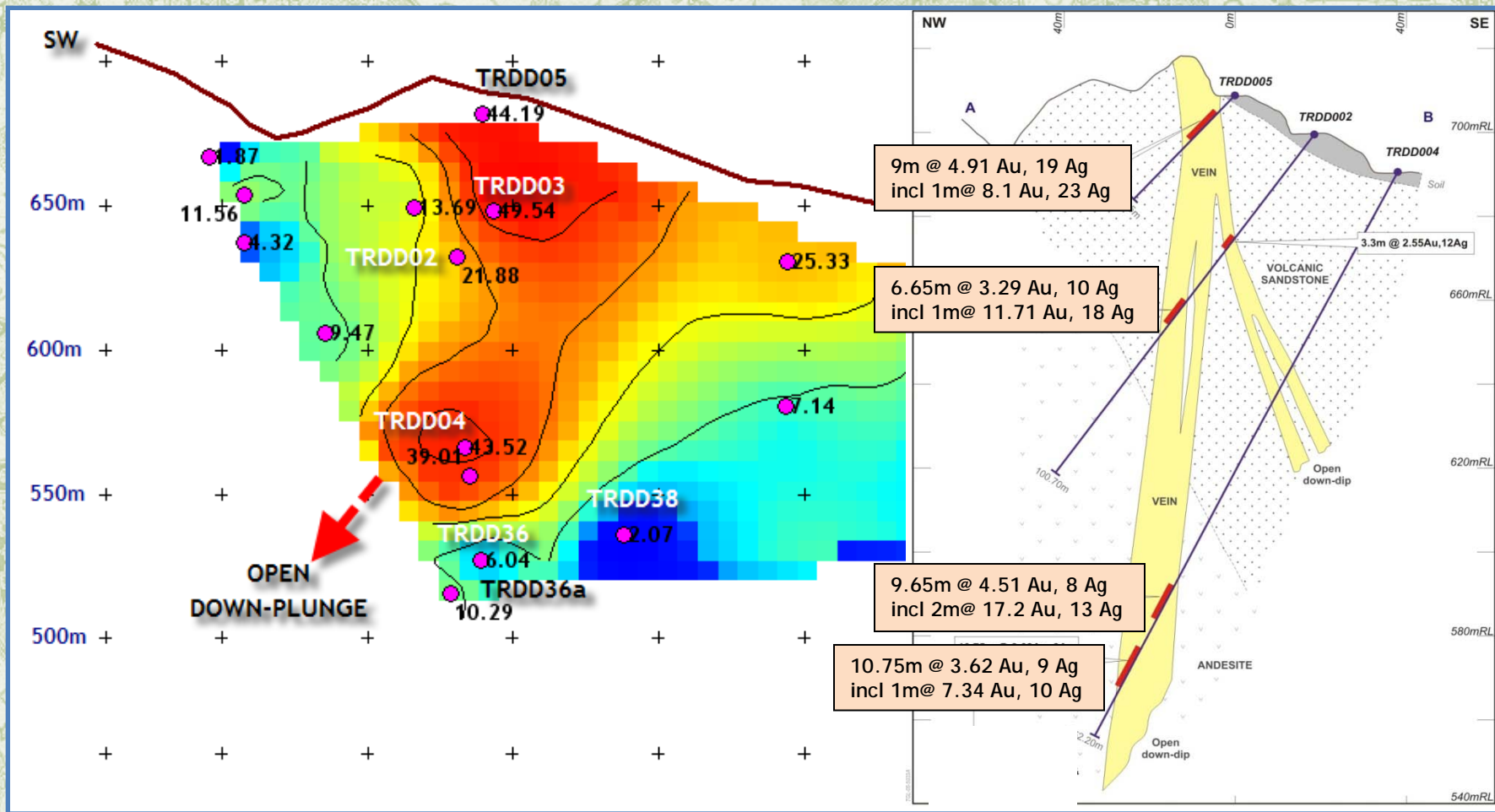
Hydrothermal Breccias/Stockworks (Au-Ag-Cu)
Area: >200m x 100m
Width: >20m
Depth: >150m
Open in all directions

Epithermal Veins (Au-Ag)
8 km cumulative strike
Up to 15m-wide
>170m depth
Open in all directions

TRENGGALEK EPITHERMAL FIELD PROSPECTS



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WEST SENTUL VEIN LONG SECTION
GOLD GRADE (g/t) x VEIN INTERCEPT (m)

WEST SENTUL VEIN
CROSS SECTION



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WORK: GEOCHEMISTRY
GEOPHYSICS

OUTCOME: DRILL TARGETS

OCT - MAR

WORK: SCOUT + DEF
DRILLING

OUTCOME: PROVE TARGETS

HIGH-GRADE Au
BULK TONNAGE Au

APR - DEC



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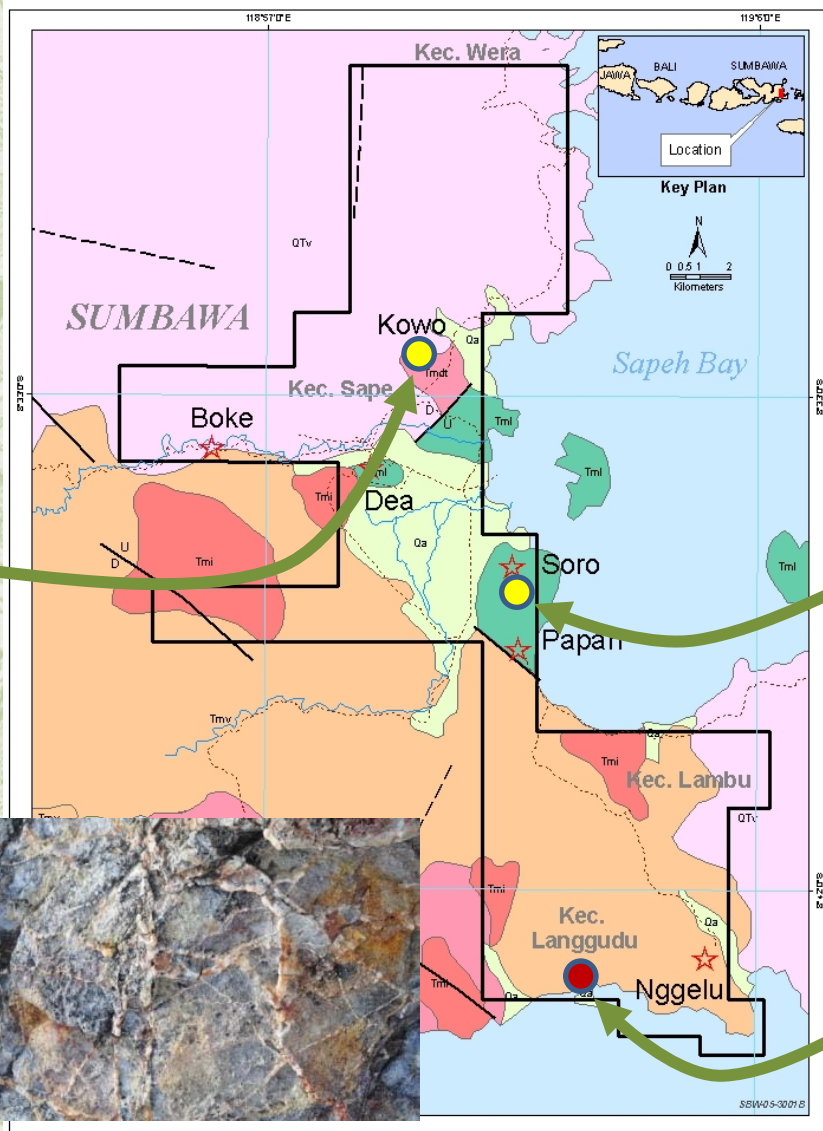
KOWO

Veins/stockworks

>1km x 1km alteration

Up to 2.7 g/t Au

Open in all directions



SORO-PAPA

Replacement silicification in limestone (Elevated Au-As-Sb-Hg)

BAKU

High -level Gold +Porphyry-related gold

Lithocap >0.7 km x 0.4 kms

Up to 10 g/t Au

Open in all directions

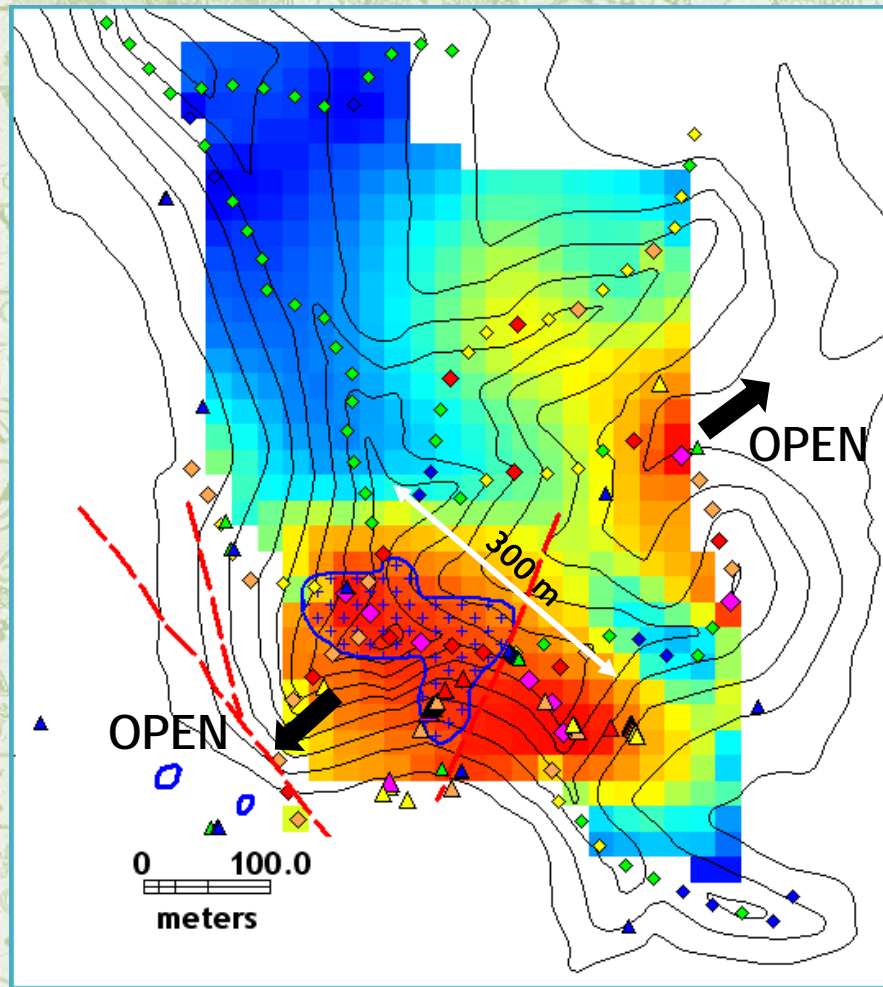
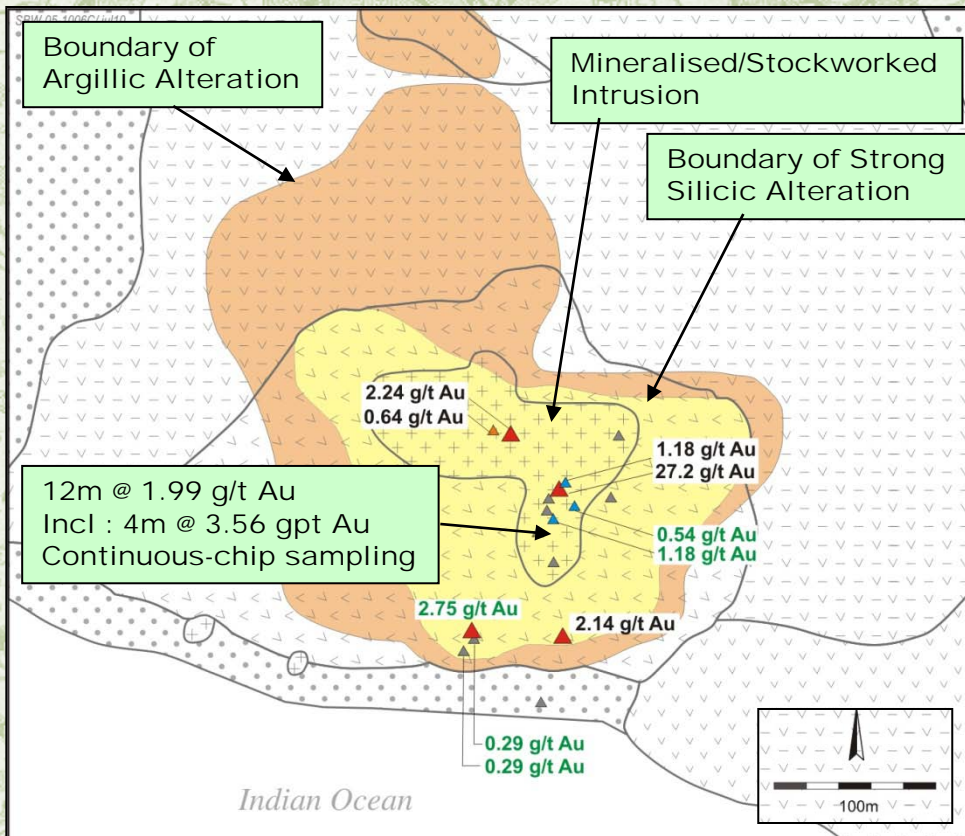


BIMA PROJECT
Three Major Prospects Identified



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BAKU MINERALISED INTRUSION
>700m x 350m
High sulphidation lithocap



BIMA PROJECT - BAKU PROSPECT

Open Coincident Gold-Soil & Gold-Rock Anomalies



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WORK: GEOCHEMISTRY
GEOPHYSICS
OUTCOME: DRILL TARGETS

OCT - MAR

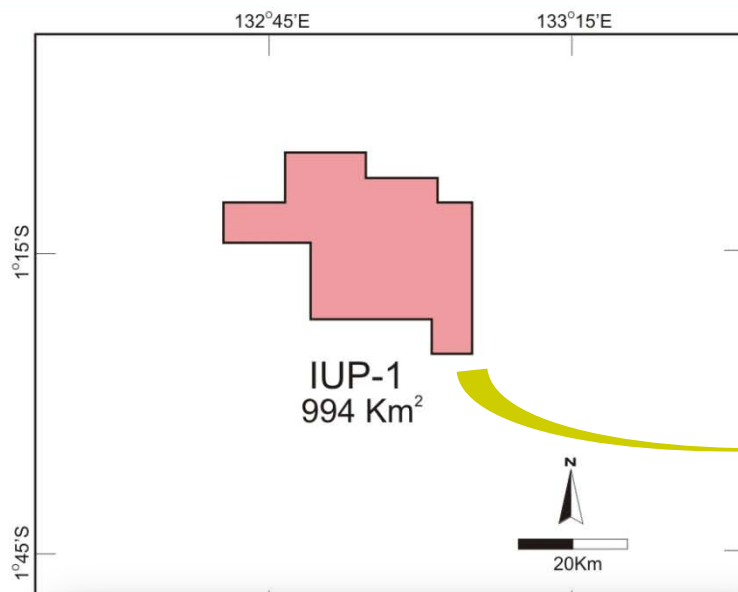
WORK: SCOUT DRILLING
OUTCOME: PROVE TARGETS
SHALLOW BULK Au
DEEPER PORPHYRY Cu-Au

APR - DEC

BIMA PROJECT
EXPLORATION PLANS (2010 - 2011)



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ARX-ANGLO ALLIANCE (20% interest)

- ❖ Copper-gold throughout Papua
- ❖ Highly prospective belt (giant deposits)
- ❖ AISASJUR Prospect
 - Similar age & geology (Grasberg)
 - Drilling 11,000 m in 30 holes (historic/recent)
- ❖ Rest of IUP to be assessed
 - Strong float indications of new prospects

Identified targets





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AISASJUR PROSPECT

WHAT WE HAVE ...

Epithermal gold-arsenic overprinting porphyry copper-gold down to +700 m depth

Drilling results include,

32 m @ 4.2 g/t (ASD-5) from 251 m &
55 m @ 2.1 g/t Au (ASD-7) from 214 m
(epithermal gold)

13 m @ 0.2% Cu / 0.2 g/t Au (ASD-23) from 561 m &
193 m @ 0.13% Cu / 0.2 g/t Au (ASD) from 698 m
(porphyry copper-gold)

WHAT IT COULD BE ...

Shallow multimillion ounce bulk-tonnage gold deposit &

Deeper high-grade porphyry copper-gold deposit(s)
(we've intersected fragments of it in later stage intrusions)

The remainder of the IUP is yet to be explored



Vuggy epithermal
qtz-carb vein

ASD-26
700 m



Potassic altered
xenolith containing
dark disseminated
bornite

ASD-26
712 m



Conclusion

Trenggalek:	Good drill results More drilling required
Bima:	Good surface result Scout drilling required
Papua:	Huge upside Anglo to explore

THANK YOU FOR YOUR ATTENTION