



ASX ANNOUNCEMENT

17 NOVEMBER 2010

NEW EMERGING GOLD TARGET AT BIMA - EAST SUMBAWA

- **Large zone of elevated gold results in soil identified at Soro**
- **Results highlight a new potentially large gold target**

Arc Exploration Limited (ASX Code: ARX) is pleased to report encouraging gold results in soil at the Soro Prospect located near the centre the Bima Exploration IUP.

Results highlight a 400m x 600m gold-in-soil anomaly underlain by boulders of gossanous silicified limestone and fresh limestone outcrops. **Fifteen soil samples within this anomaly have returned highly elevated gold results ranging from 0.14 to 0.75 ppm Au.**

John Carlile, Arc's Managing Director and CEO, commented: "These results and the recently announced high-grade trench intersection at Baku underscore the potential to identify major new prospects within the Company's project area, which lies on the relatively underexplored eastern end of the same belt of magmatic rocks that are host to the giant Batu Hijau and Elang gold-copper deposits."

Mr Carlile added "We've only explored a small part of the tenement to-date, so we hope to identify new targets as we expand our reconnaissance activities in the project area. None of these prospects have been previously drilled. We plan to start drilling early next year."

This gold soil anomaly is as large as those at the Baku and Kowo prospects, where ongoing surface work has clearly highlighted large gold targets. The key difference is that Soro appears to be in limestone rather than in intrusive or volcanic rocks as is the case Baku and Kowo.

Further surface work is in progress at Soro to confirm this new gold target.

The Bima Exploration tenement covers 250 square kilometres and is prospective for intermediate to high-sulphidation epithermal gold and porphyry copper-gold deposits. The project has excellent infrastructure with a network of sealed to graded roads traversing almost all of the tenement area.

The Company has three projects; **Bima, in East Sumbawa, the subject of this announcement**, Trenggalek in East Java and a Strategic Alliance with the Anglo American group in Papua

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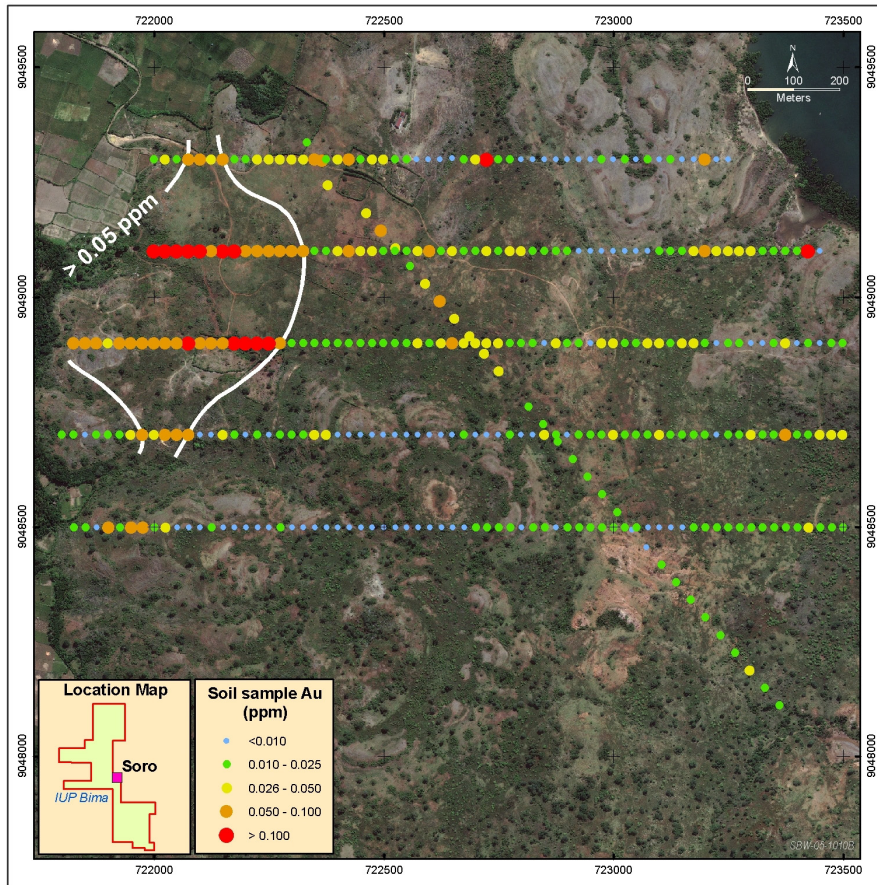
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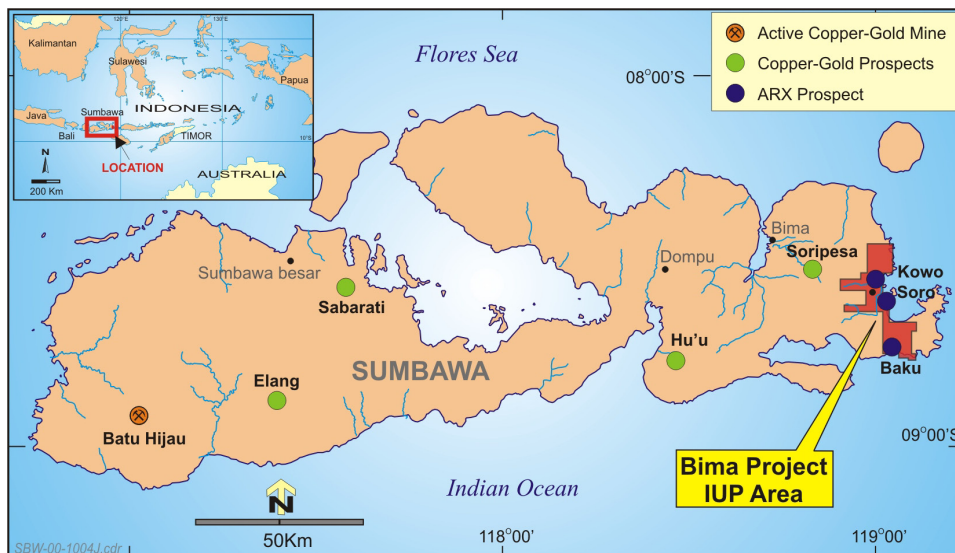
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Soro Prospect Gold Soil Geochemistry



The information in this report that relates to Exploration Results is based on information compiled by Dr Renato Bobis, who is a member of the Australian Institute of Mining and Metallurgy, and Mr Brad Wake, who is a member of the Australian Institute of Geoscientists. Dr Bobis and Mr Wake have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Bobis and Mr Wake are full time employees of Arc Exploration Limited and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.