



INDONESIAN GOLD

MAY 2011

BUSINESS STRATEGY

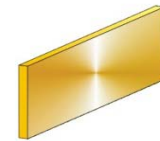
- **Indonesia**



- **Gold**

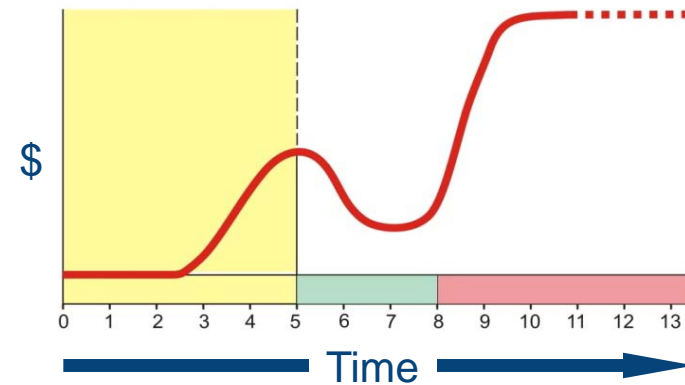


Porphyry



Vein

- **Exploration**



CORPORATE DATA

Recent Price 3.0 cents – 3.5 cents

Market Cap A\$25 million – A\$29 million

Issued Capital ARX Shares (822 million)

Current Cash A\$8.5 million

Major Shareholders: Southo Investments Limited 57m – 6.9%
ANZ Banking Group Limited 48m – 5.8%

BOARD MEMBERS

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 and base metals in Australia and SW Pacific, including more than 10 years in Indonesia. Track record of gold discovery in Indonesia.

Dr Renato Bobis, Principal Geologist

Over 25 years experience in gold and 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.

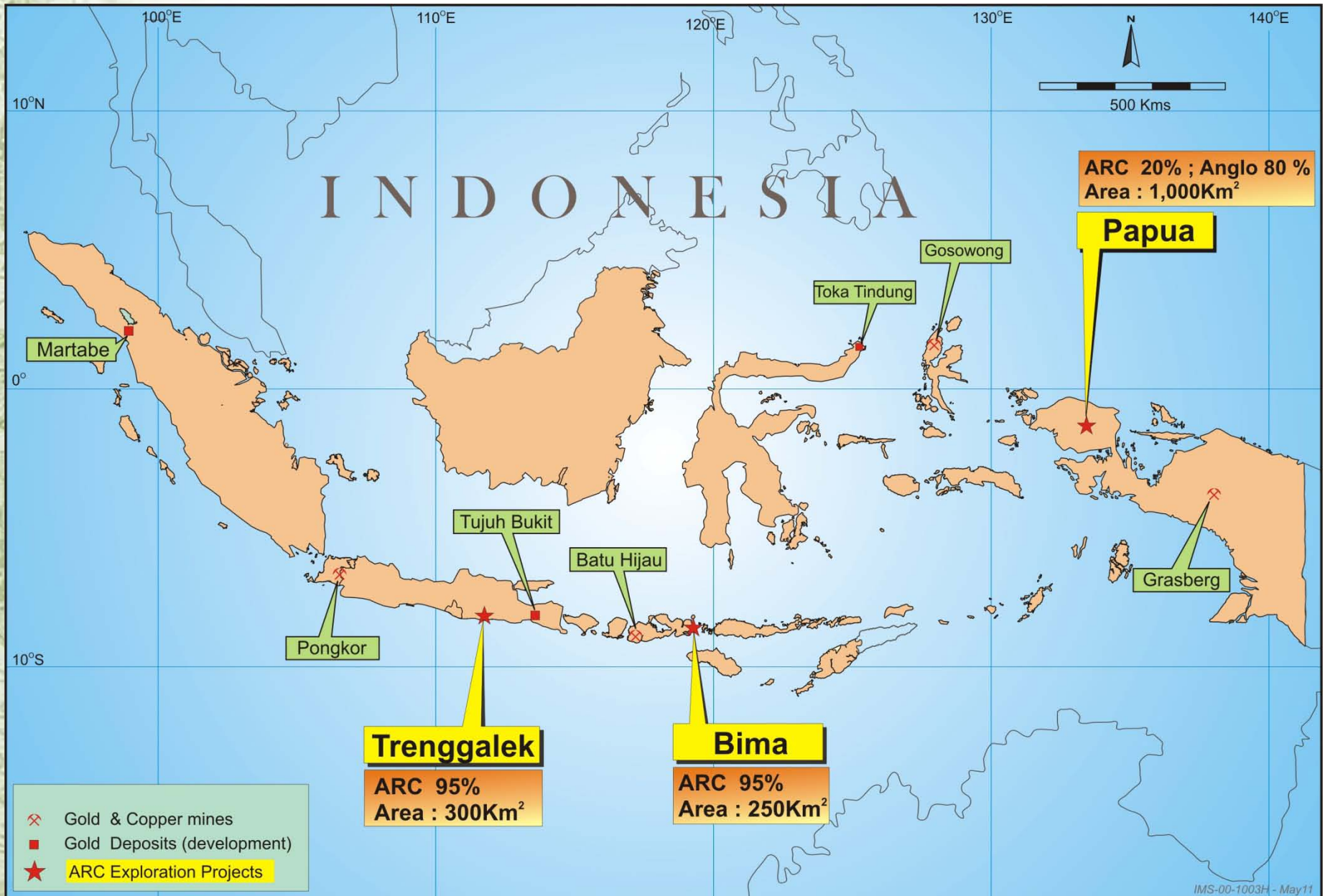
Andrew Cooke, Company Secretary

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.

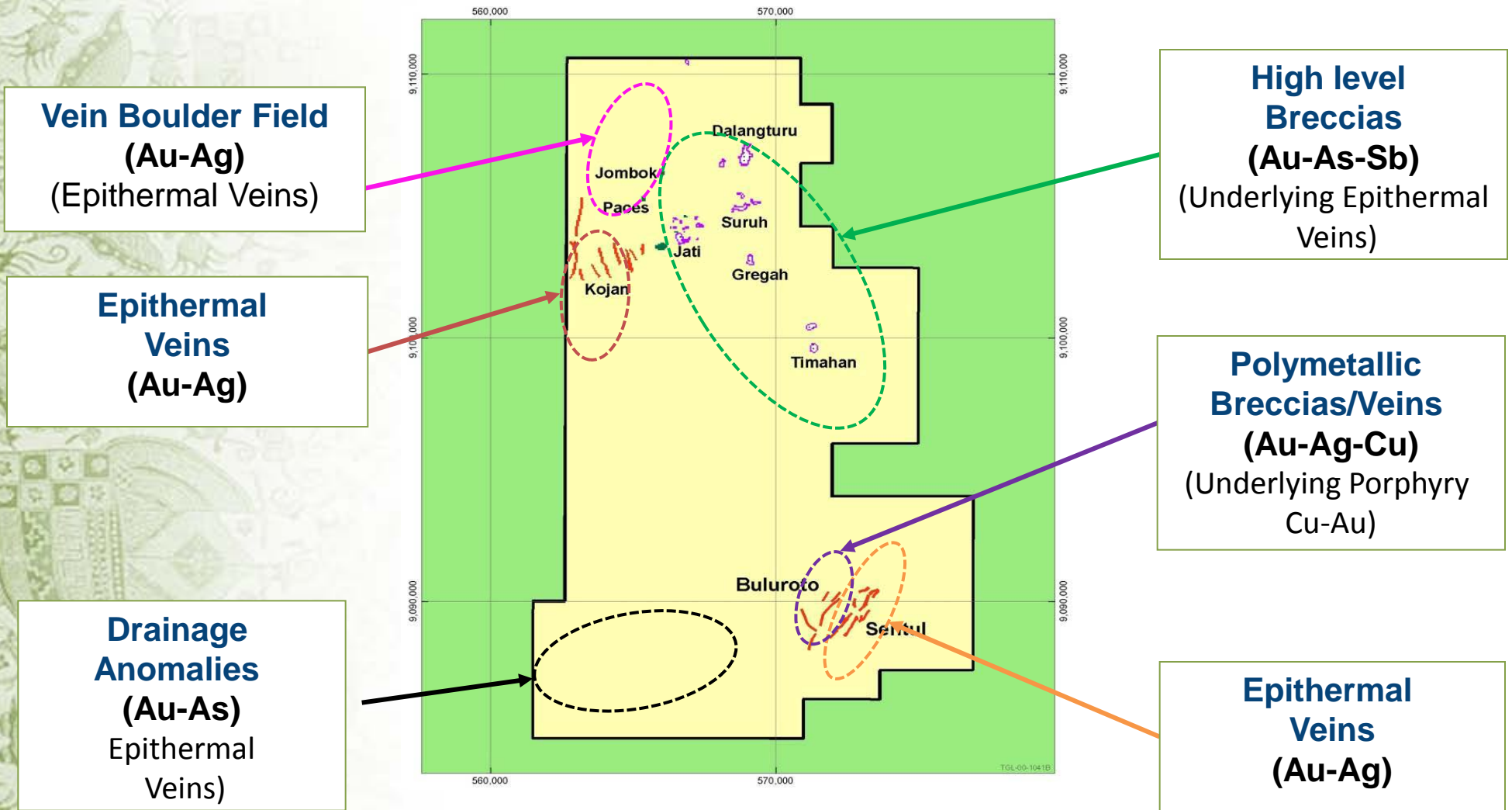
PROGRESS IN 2011

- Successful capital raising
Exploration funded for 12 months and beyond
- Drilling Commenced at Trenggalek
Gold-bearing breccias and limestone (buried gold-veins)
Follow-up on Vein Targets from 2010 Scout Drilling
- Drill targets identified at Bima
Baku: Volcanic-hosted gold stockwork expanded (bulk gold)
Soro: Limestone-hosted disseminated gold (bulk gold)
- Work resumed in Papua

THREE GOLD PROJECTS



TRENGGALEK PROJECT



Confirmed potential for high-grade gold mineralisation

SIGNIFICANT RESULTS AT TRENGGALEK

- **Sentul**

- Veins up to 15m wide
- Collective strike length more than 10km
- High grade intervals:
2.0 m @ 17.2 g/t Au & 13 g/t Ag within 9.6 m @ 4.5 g/t Au & 8 g/t Ag

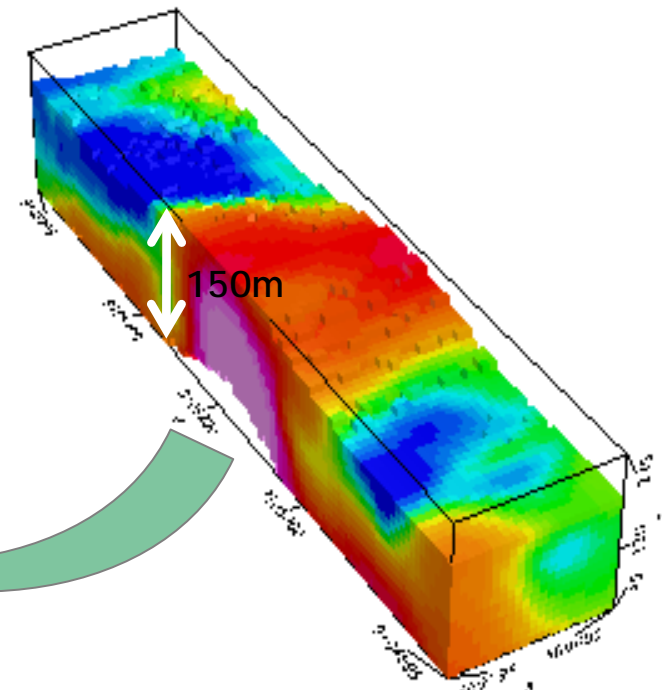
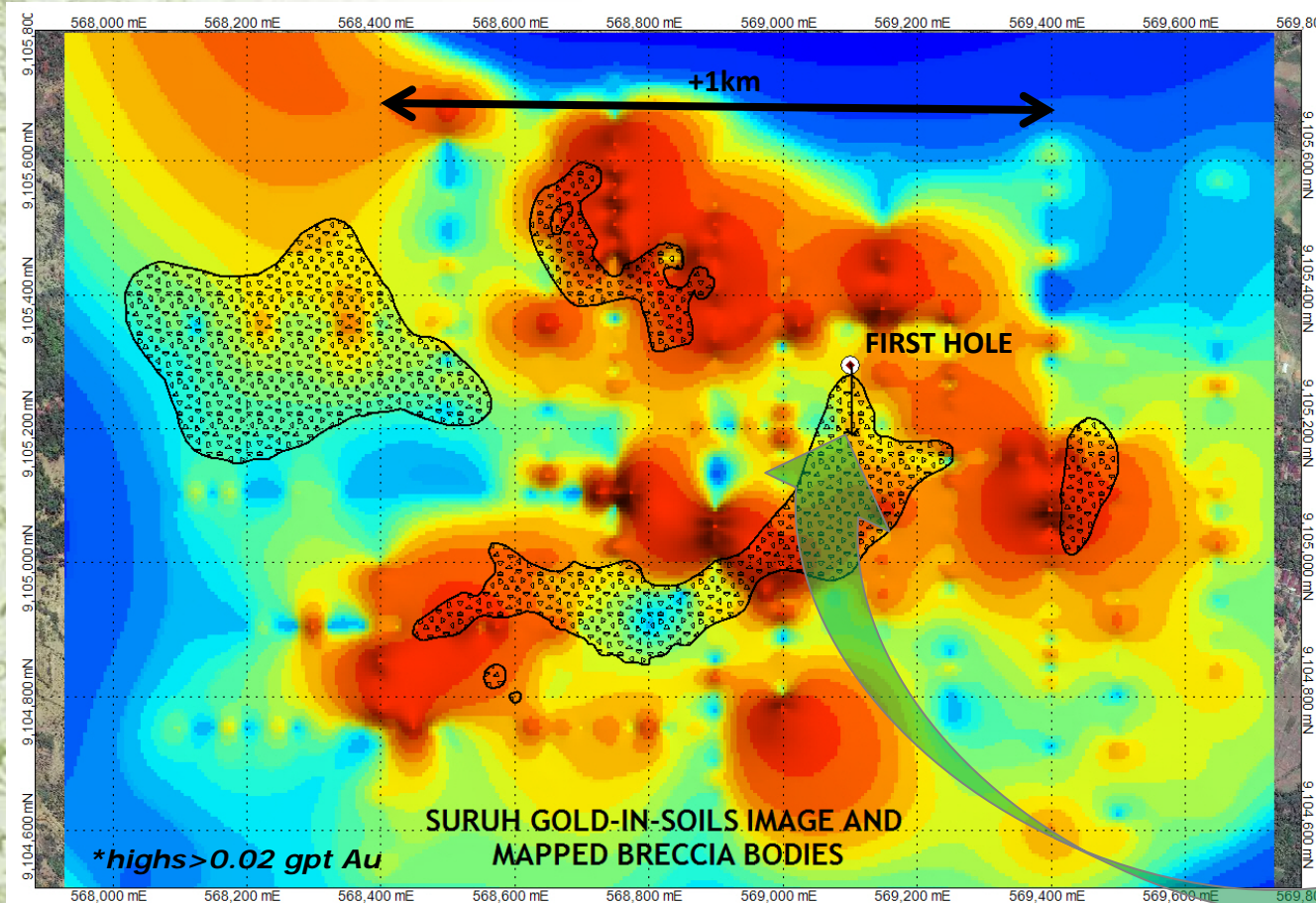
- **Kojan**

- Multiple parallel veins up to 5m wide
- Collective strike length of several kms
- Notably high silver grades:
1.9m @ 11.3 g/t Au & 293 g/t Ag within 6.6m @ 4.9 g/t Au & 149 g/t Ag

- **Buluroto**

- Potential for near surface gold and gold-copper breccia:
2.0m @ 8.7 g/t Au & 48 g/t Ag within 13.7m @ 3.2 g/t Au & 60 g/t Ag
27m @ 0.49 g/t Au & 0.19 % Cu
- Porphyry gold-copper system may occur at depth

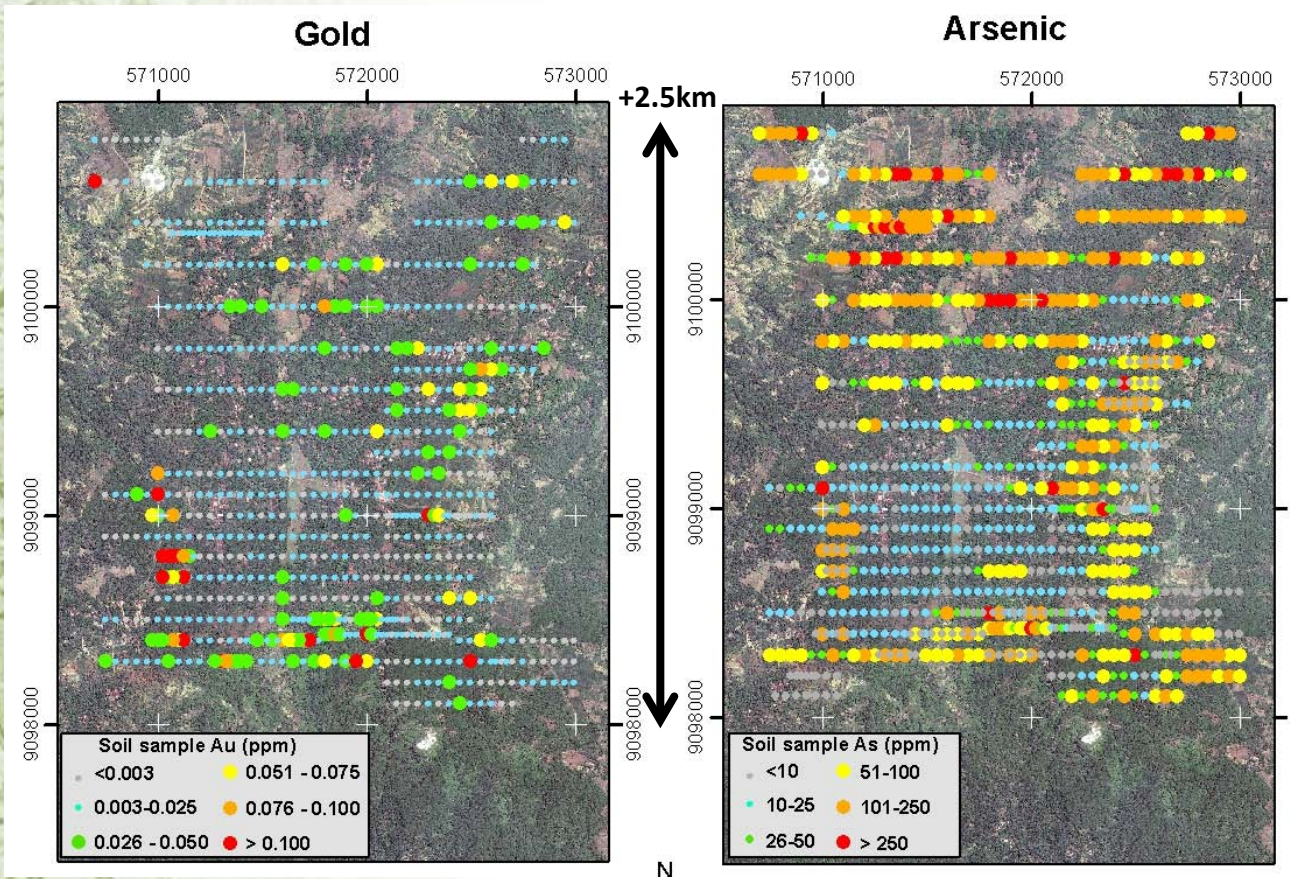
SURUH



**Mineralised Hydrothermal Breccia Cappings
Potential for Underlying High-grade Vein Targets**

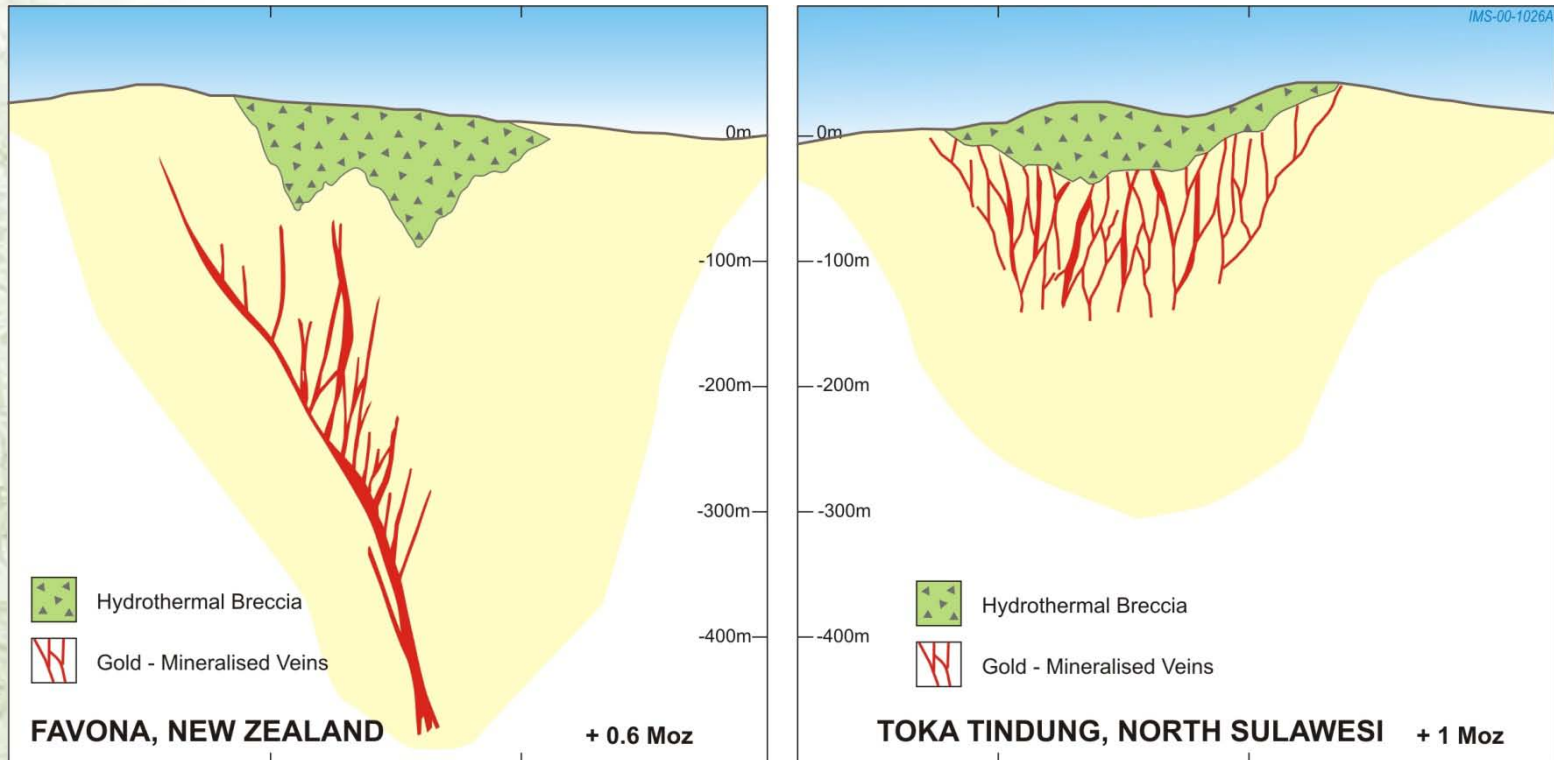
*Large coincident resistivity-chargeability HIGH
Potentially large gold mineralised silica-sulphide
zone (569200mE)*

TIMAHAN



**Mineralised Hydrothermal Breccia Cappings
Potential for Underlying High-grade Vein Targets**

SILICA-BRECCIA CAPPING TARGETS

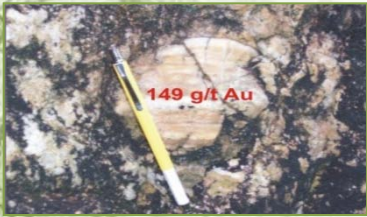
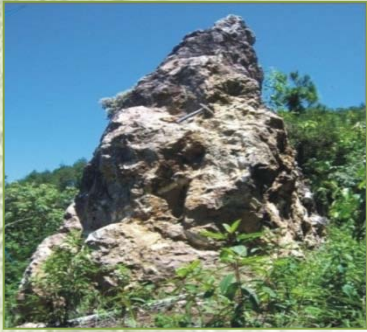


Low Gold+Arsenic-Antimony anomalous silica-breccias at surface

INDICATING

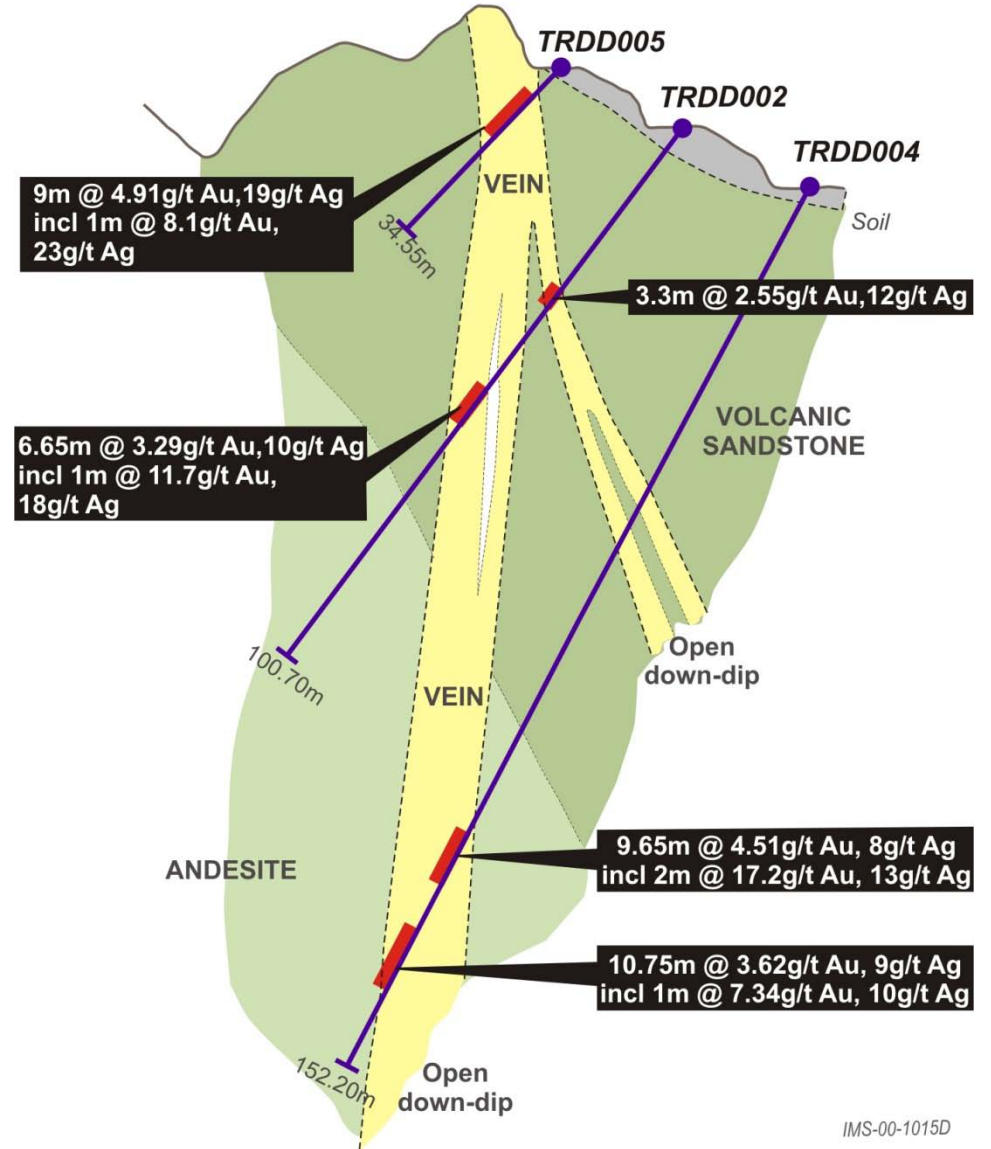
Potential for underlying high-grade vein targets

SENTUL

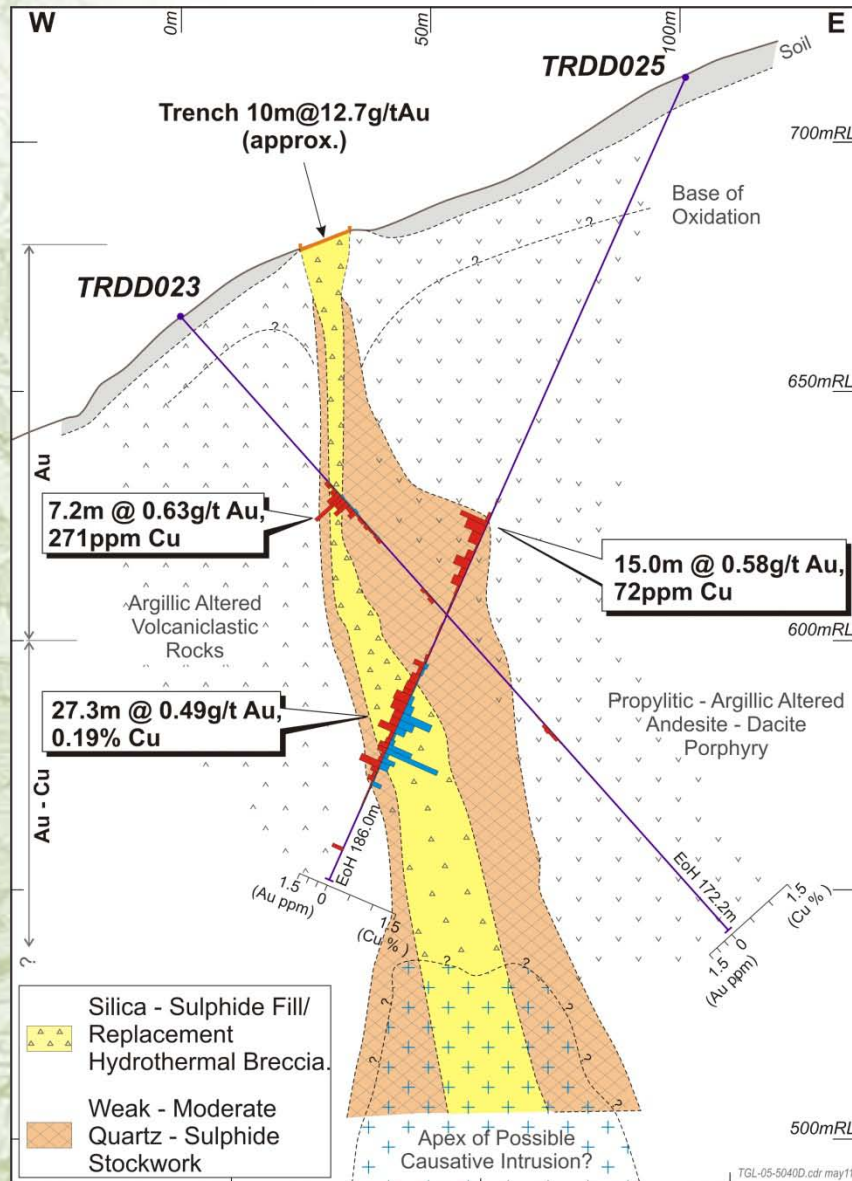


NW

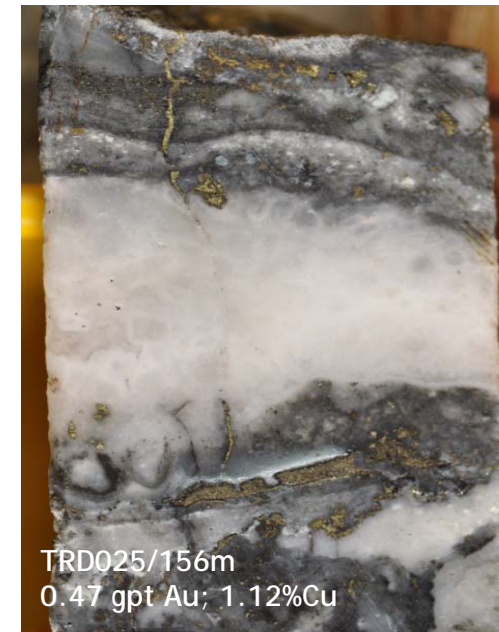
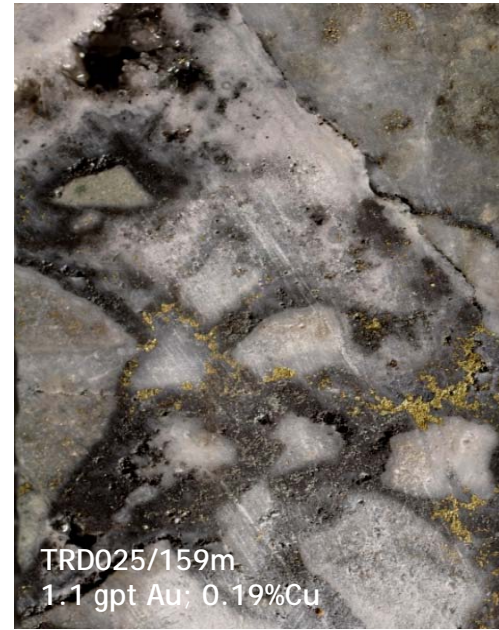
SE



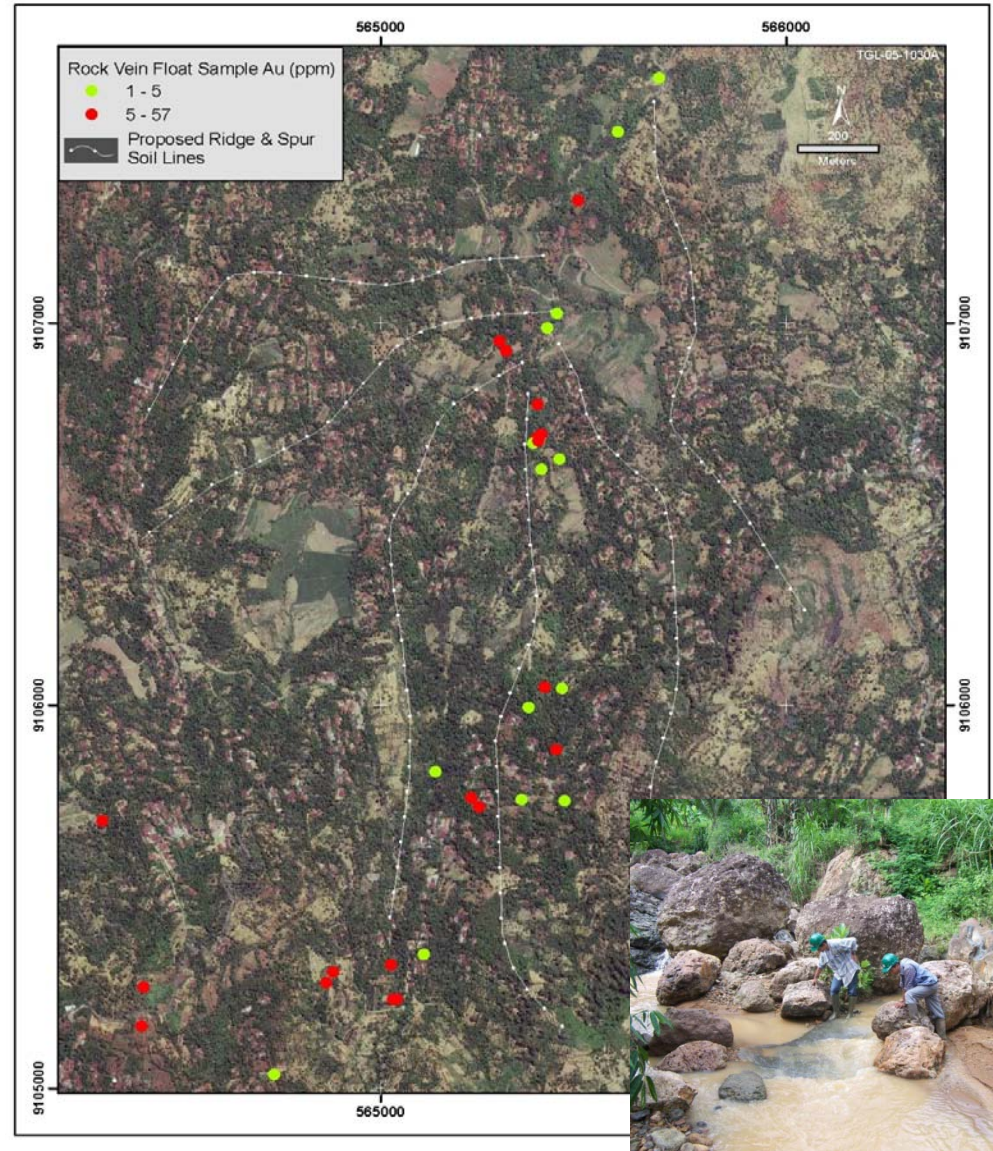
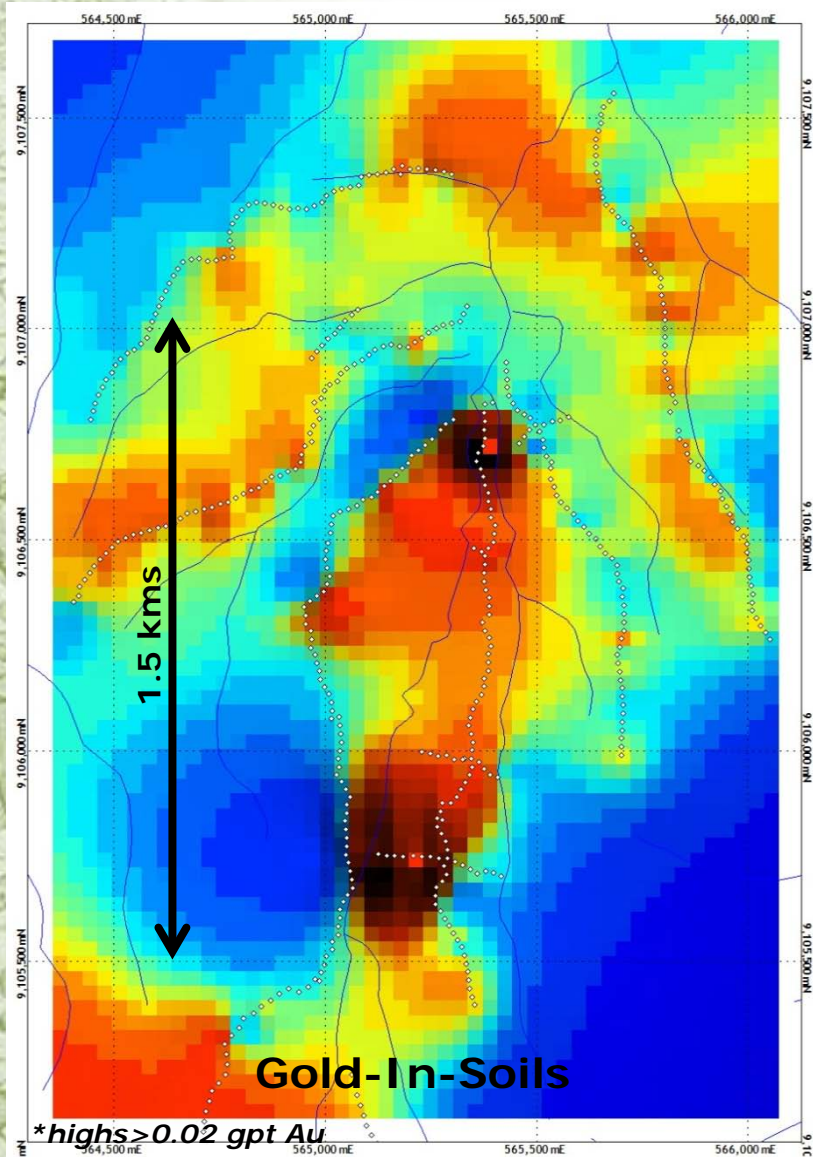
BULUROTO



BULUROTO PROSPECT
Drill Section - TRDD023 & TRDD025 (Projected)
Gold - Copper Intercepts & Interpretive Geology



JOMBOK

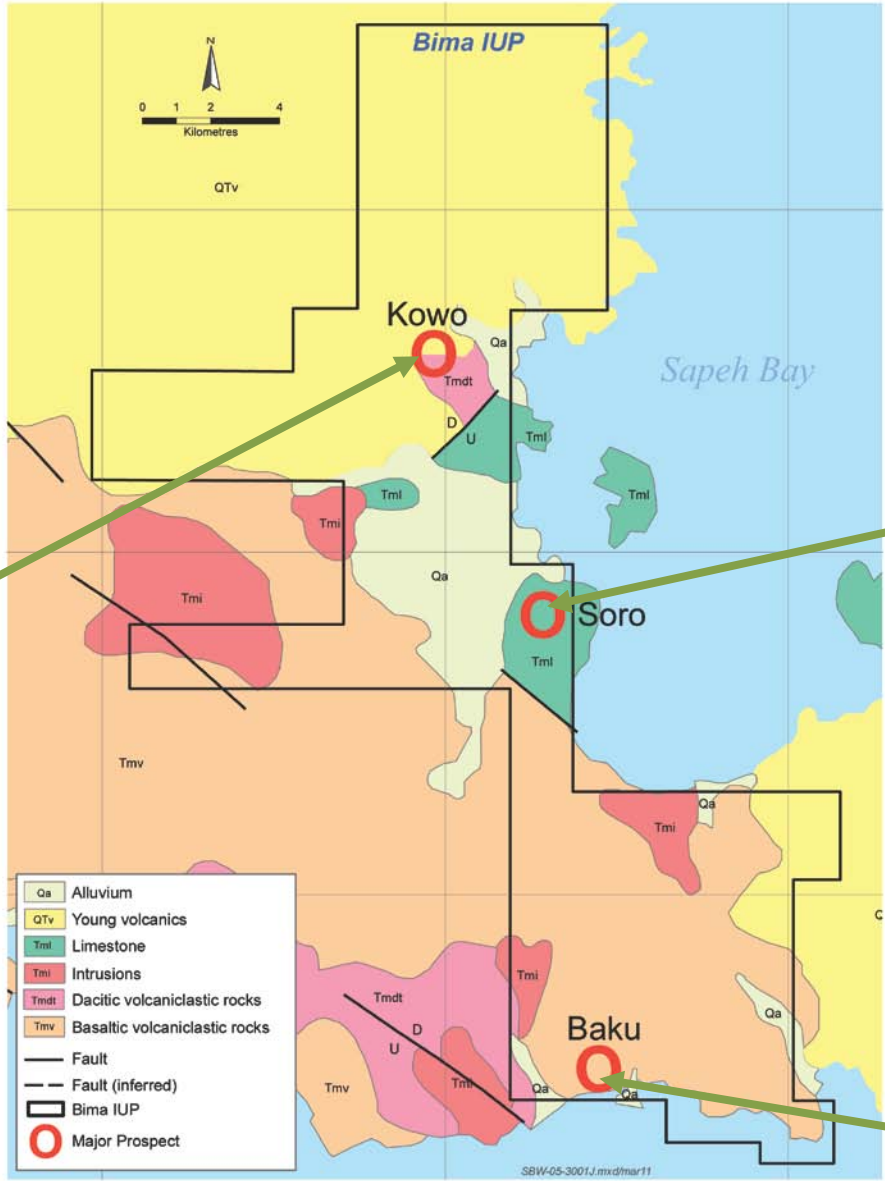


**Large Vein Boulder Field
Potential for High-grade Vein Sources**

BIMA PROJECT



Volcanic-hosted Intermediate Sulphidation Bulk Stockwork Au-Ag-Base Metal



Limestone-hosted ("Jasperoid") Bulk Disseminated Au

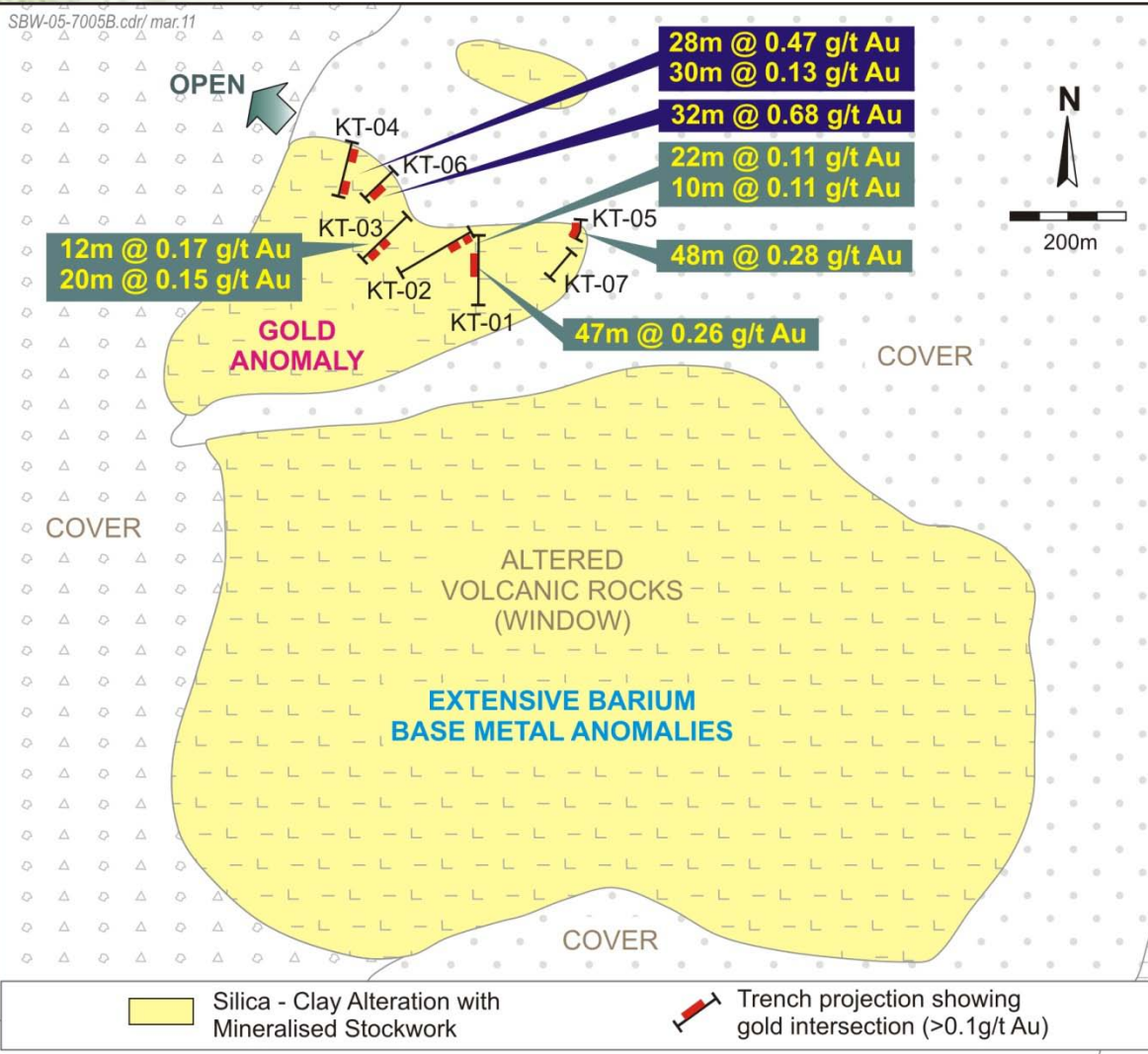


Volcanic-hosted High Sulphidation Bulk Stockwork Au-Ag

Multiple Near-Surface Bulk Tonnage Gold Targets & Potential Underlying Porphyry Copper – Gold

KOWO

SBW-05-7005B.cdr/ mar.11

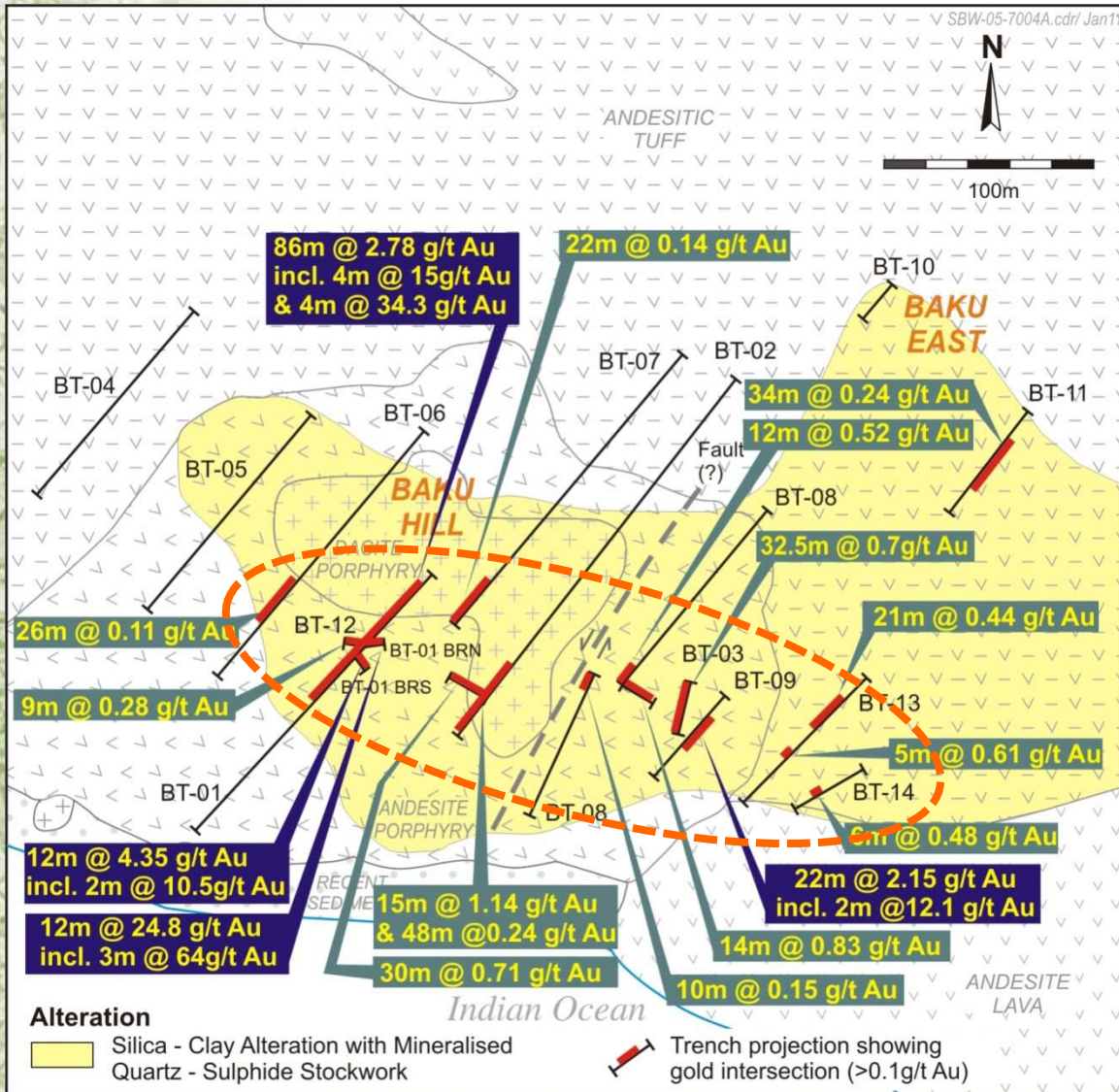


TRENCH GOLD RESULTS

Extensive Gold in Quartz-Barite-Sulphide Stockwork



BAKU

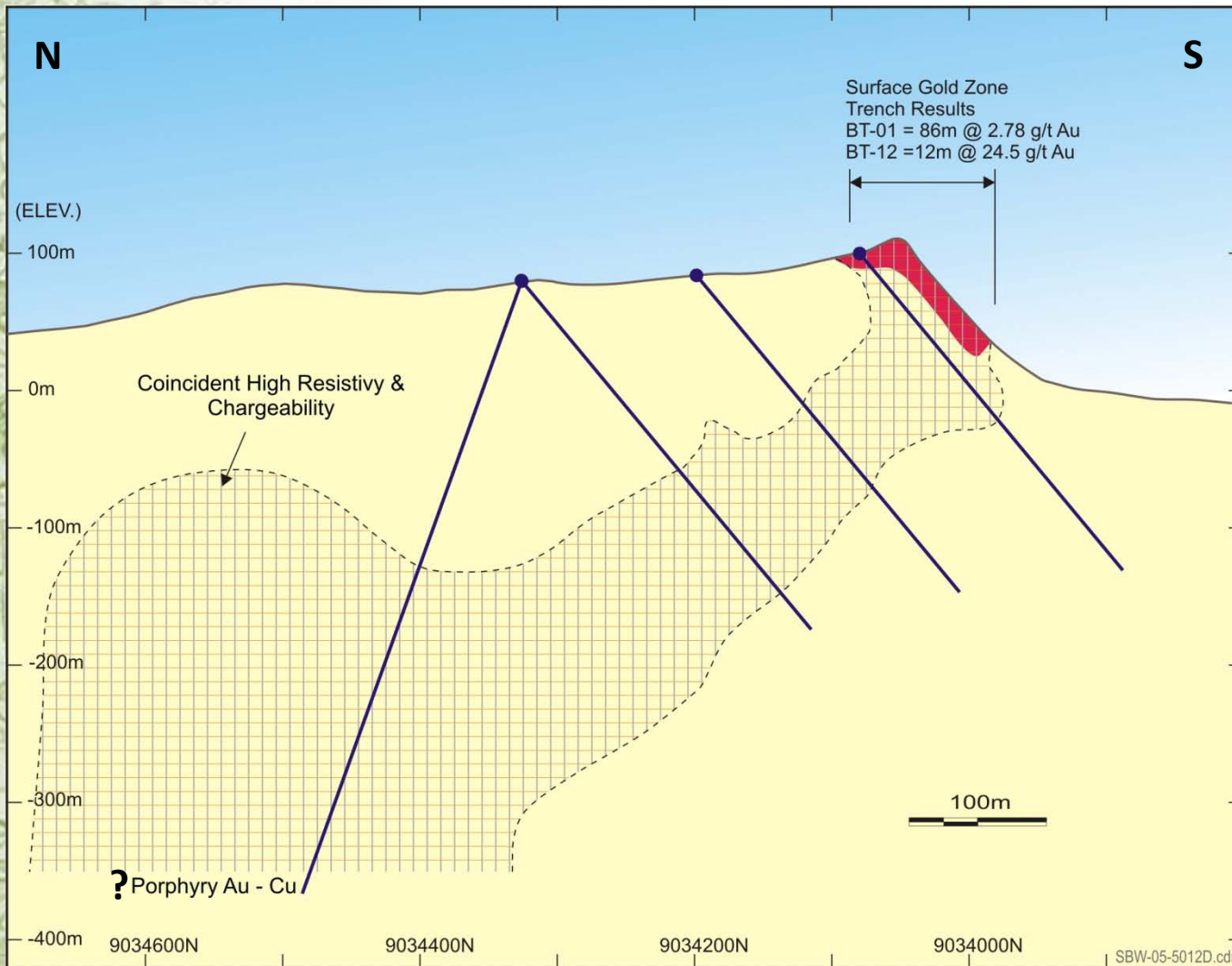


TRENCH GOLD RESULTS

High-Grade Gold Veins in Extensive Gold Stockwork



BAKU



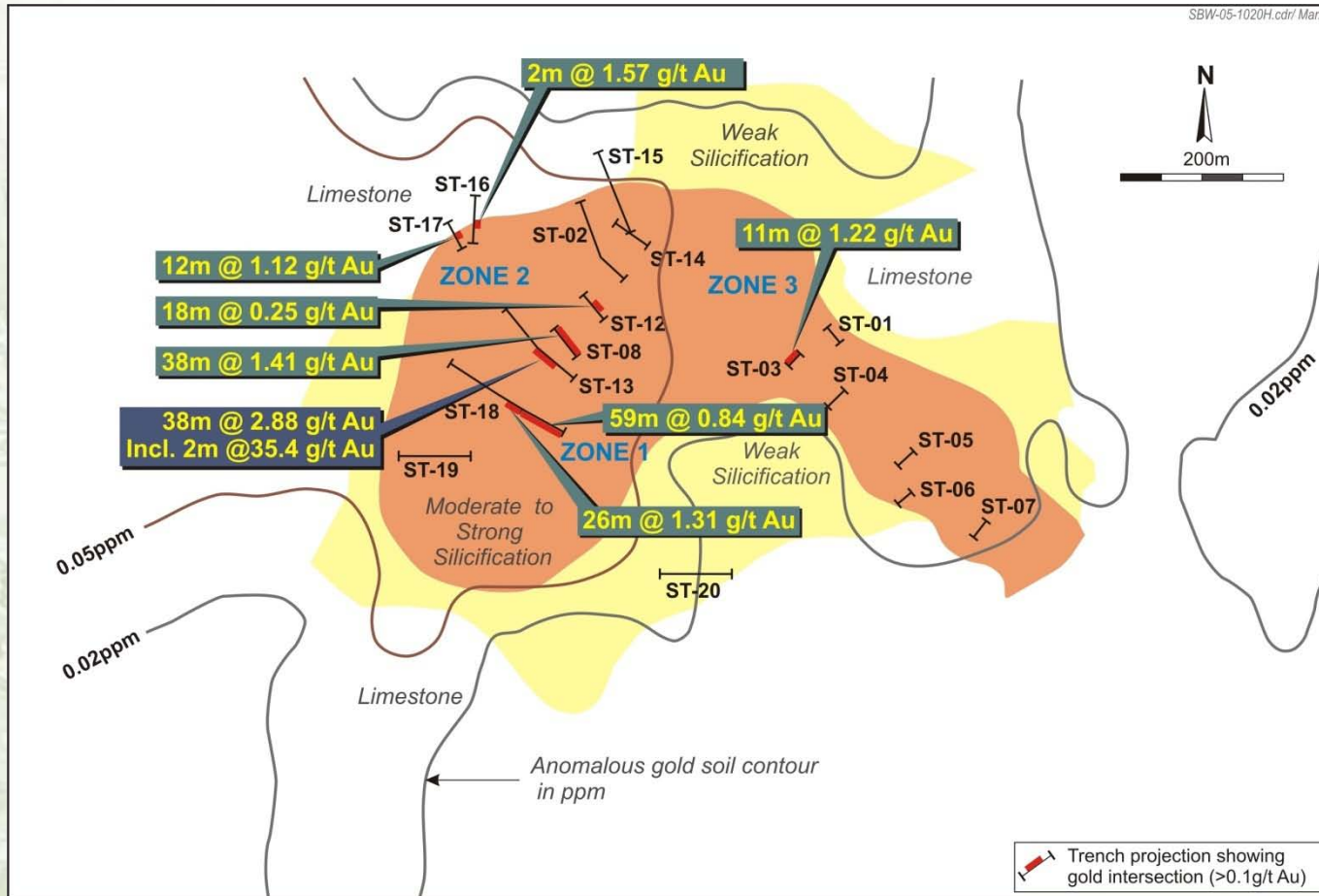
Bonanza-grade quartz-sulphide vein which assayed 64 g/t gold and 117 g/t silver over 3m interval.

Surface gold zone coincident with IP-resistivity high

Potential for major extension to gold mineralisation at depth (first drill targets)

SORO

SBW-05-1020H.cdr/ Mar.11



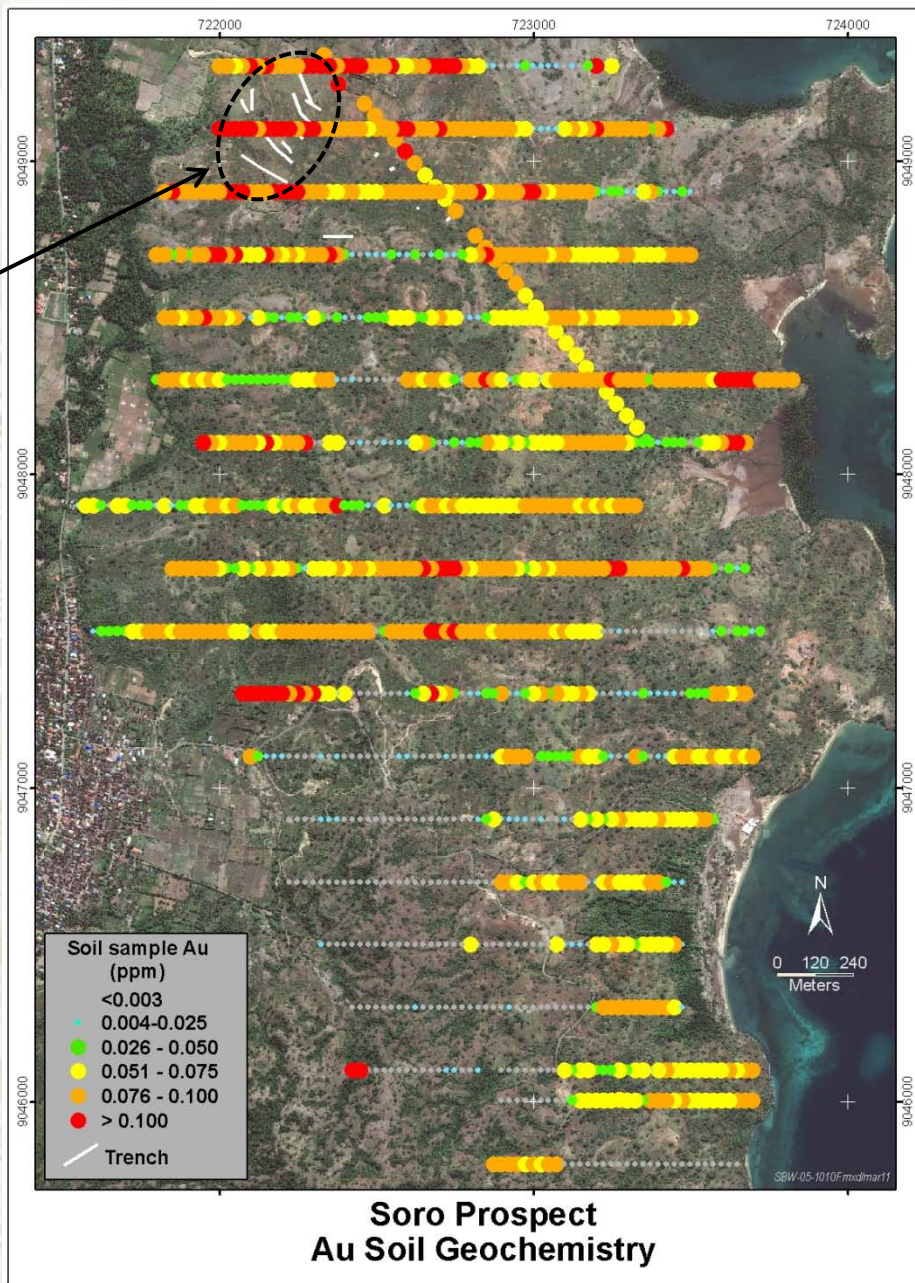
Extensive Limestone-hosted Disseminated Gold

SORO

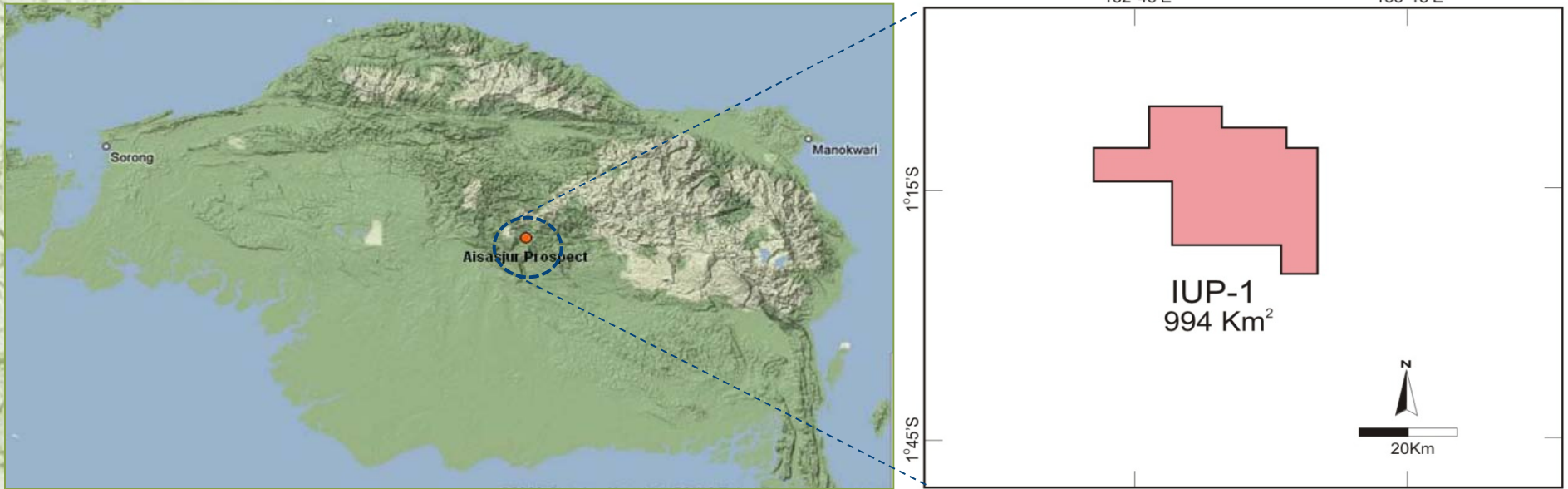
LARGE
SOIL
ANOMALY

Only partly
tested by
trenching to
date

1 km



PAPUA PROJECT

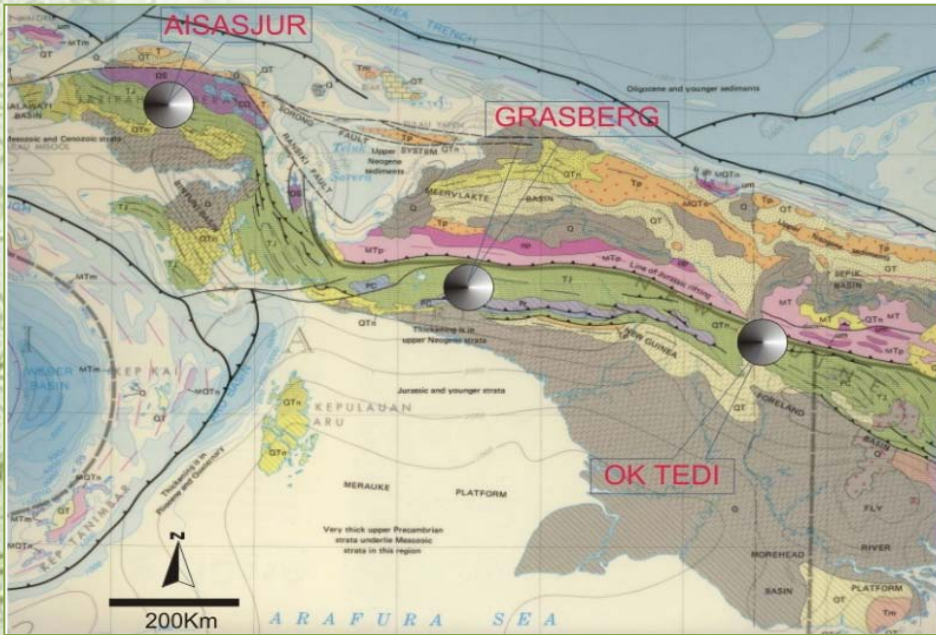


Anglo American alliance (ARX; 20% interest)

- Anglo funds all costs to a decision to mine
- Papua is highly prospective for large copper and gold deposits
- Exploration activity recently recommenced

Major Partner - Big Potential - Large Project Criteria

AISASJUR + OTHERS



- Epithermal gold + Porphyry copper-gold targets.

- Drill result highlights:

32m at 4.2 g/t from 251.3m depth
(Epithermal gold)

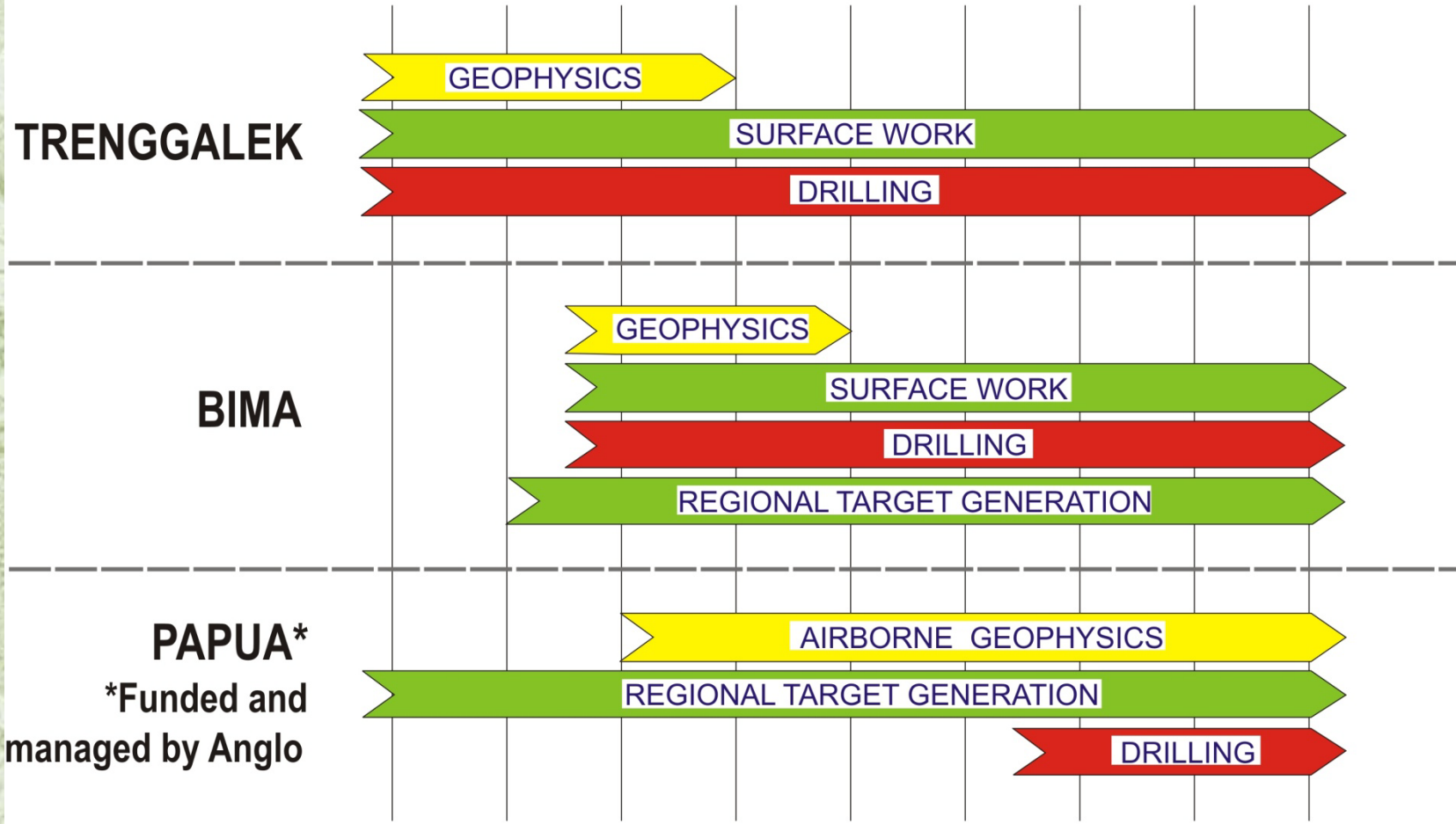
193m at 0.13% Cu / 0.2 g/t Au
from 698m depth
(Porphyry copper-gold)



Large Copper - Gold System
The same age as Grasberg in the
“Grasberg Belt”; plus other targets

FORWARD PLAN

May - December 2011

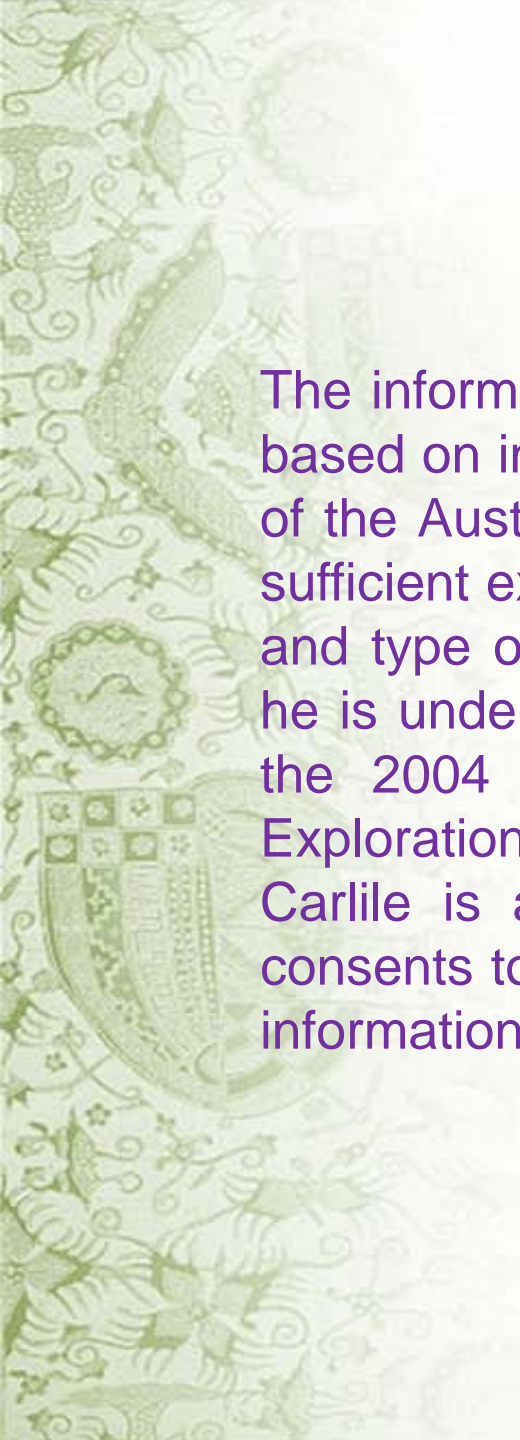


PAPUA*
*Funded and managed by Anglo



CONCLUSIONS

- Three highly prospective projects with clear targets
 - High grade gold
 - Bulk tonnage gold & copper – gold
- Exploration funded for 12 months & beyond
- High impact Exploration Plan: Up to 15,000m drilling



The information in this report that relates to Exploration Results is based on information compiled by Mr John Carlile, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Carlile has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Carlile is a full time employee of Arc Exploration Limited and consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.