



ASX ANNOUNCEMENT

30 MAY 2013

NEW AUSTRALIAN GOLD PROJECT

- **ARX enters into option on a third new Australian gold project**
- **Located in a major gold-producing province**
- **ARX is able to earn up to 80%**
- **Contains an advanced gold target with exploration upside**

Further to its previous announcement on 11 April 2013, Arc Exploration Limited (ASX Code: ARX) is pleased to announce it has signed an Option to Farm-in Term Sheet on a third gold property in Australia.

The project is located in the Mount Garnet district of Far North Queensland and is held 100% under mining leases (ML's) by Snowmist Pty Ltd ("Snowmist").

The project contains an advanced gold target that has potential to be expanded and the ML's also have potential for the discovery of new gold resources. The project is located near existing mine operations and development infrastructure.

Key commercial terms are:

- Subject to a 90 day exclusive due diligence period ARX may enter a 2 year option period for a payment of \$50,000 to Snowmist and minimum expenditure of A\$150,000 during the option period;
- ARX may then earn a 51% interest by sole funding A\$500,000 within two years;
- ARX may then earn up to an 80% interest by sole funding a further A\$580,000 within a further one year.

Managing Director, Mr. John Carlile, commented:

"The Mount Garnet project is the third area identified by our search for new gold and copper-gold opportunities in eastern Australia. It provides ARX with a more advanced gold prospect with potential for expansion as well as several other gold targets within the leases that remain to be tested.

As with the 2 previously announced options to farm-in in New South Wales at Oberon and Junee, Mount Garnet provides ARX with the opportunity to establish a foothold in a major gold and copper-gold producing district".

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Background on the Mount Garnet Project

The project currently comprises three small mining leases located in the Hodgkinson Province. These ML's are underlain by metasedimentary rocks and limestone intruded by Carboniferous granites and related volcanic rocks of the highly mineralised Kennedy Igneous Association.

The Triple Crown gold deposit is located on one of the mining leases and is a gold-bearing quartz-sulphide stockwork and hydrothermal crackle breccia hosted in the outer shatter edge of a magmatic-hydrothermal breccia pipe that cuts granite porphyry and the metasedimentary country rocks. The gold mineralisation at surface forms an annular pattern on the margin of the breccia pipe.

Similar gold deposits that have been mined in the region include Red Dome/Mungana (+3 Moz gold) and Kidston (+4 Moz gold).

Information supplied by Snowmist indicates that Triple Crown contains a modest-sized, low-grade gold and silver resource. This will be assessed further during the due diligence process.

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Brad Wake, who is a member of the Australian Institute of Geoscientists. Mr Wake 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 Competent Persons as defined in the 2004 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.



LEGEND

●	Township	●	Known Zinc Deposits
---	Fault Corridor	⚒	Mine
—	Roads	●	Prospect

Location Plan Showing Mount Garnet Project Area