

3D GEOLOGICAL ANALYSIS AND TARGETING AT DOBROYDE

Highlights:

- Encouraging 3D geological analysis of the Dobroyde gold deposit.
- Structural controls and coherent gold grade distribution patterns confirmed.
- Mineralisation is open at depth; confirming potential for a resource extension.
- Four targets identified outside the main deposit; highlighting potential for additional resources.
- Geophysical evaluation in progress.
- Corporate presentations at Proactive Investors and at Mines and Money Exhibition in London.

Arc Exploration Limited (ASX Code: ARX) is pleased to announce the results of a 3-Dimensional ("3D") exploration targeting analysis on the Dobroyde gold deposit done by Perth-based geological consultants, Orefind Pty Ltd.

Dobroyde is part of the Junee Project located near the major regional centre of Wagga Wagga in central-western NSW. The project is an exploration tenement package held by New South Resources Limited ("NSR") and on which ARX has an option to joint venture.

The gold assay database from historic drilling at Dobroyde is derived from about 28,700 metres of percussion and diamond drilling in 272 holes. It was analysed using Leapfrog mining software with the aim of helping to improve the geological knowledge of the mineralisation controls and to highlight potential for resource extensions.

Results of the analysis confirm that gold mineralisation at Dobroyde occurs in northwest-trending linear structures adjacent to the major regional Gilmore Fault Zone, which controls the distribution of some major gold deposits in the district (see Figure 1).

A coherent pattern of higher gold grades (>2g/t Au) within a lower grade mineralisation envelope (>0.25g/t Au) was also highlighted (Figures 2, 3 and 4). Some spectacular historic high-grade intersections within the deposit were previously announced on 9 October 2013 and 4 November 2013, including 22m @ 37.3 g/t gold, 6m @ 18.2 g/t gold and 16m @ 10.5 g/t gold.

The analysis supports potential for extension to the gold resource, which is open along a shallow plunge to the northwest and below about 150m depth. Furthermore, four targets located outside the main deposit were identified. Their pattern suggests a possible vein-swarm configuration with potential for additional gold resources through further exploration.

Managing Director, Dr Jeffrey Malaihollo, commented:

"The 3D geological analysis of gold assays from historic drill data completed by Orefind has advanced our understanding of this gold deposit, mapped the distribution of gold grades including the high-grade zones, and has highlighted potential for additional resources located down-plunge of the main gold deposit and in peripheral targets that have had insufficient drill testing. These encouraging results have helped set a platform for future exploration work in the immediate area.

Another consultant is currently reprocessing and modelling the detailed geophysical data previously acquired over Dobroyde, including high-resolution airborne magnetics and a 3-Dimensional IP-Resistivity ground survey. Results from this will be used to help explore for potential resource extensions and

porphyry gold-copper targets that are commonly associated with high-sulphidation epithermal gold deposits like Dobroyde.

We look forward to reporting the results of this work in the coming months.”

Background on the Junee Project

The Junee Project comprises four contiguous Exploration Licences (EL's 6516, 6658, 6768 & 8152) covering about 87 km² that straddle part of the major regional Gilmore Fault Zone and contains rocks of the Junee-Narromine Volcanic Belt, part of the highly prospective Ordovician-Early Silurian Macquarie Volcanic Arc in the Lachlan Orogen.

Large porphyry-related gold and gold-copper deposits, such as Northparkes, Gidginbung and Cowal, occur along this fertile volcanic belt and their distribution is also spatially related to the Gilmore Fault Zone and its associated fault splays.

EL 6516 contains the 77,000-ounce *Dobroyde* gold deposit (see ASX announcements of 3rd and 10th July 2013) on which historic drilling has produced some spectacular high-grade gold intercepts within a low-grade mineralization envelope (see ASX announcements of 9th October and 4th November 2013). The deposit is a high-sulphidation type epithermal gold system that occurs in structurally controlled zones of silica-sulphide alteration and cross-cutting baryte-rich breccias surrounded by clay-rich alteration zones in andesitic volcanic host rocks.

The project shows potential to increase in size through the discovery of new gold and gold-copper resources, and occurs near major mine operations and development infrastructure.

Proactive Investors Presentations

Arc Exploration Limited will be presenting its latest corporate news at the Proactive Investors One2One Forum on Wednesday 27 November 2013 in London, UK.

The reception will run from 6:00pm to 8:00pm, followed by a wine and canapé reception until approximately 9:00pm. Further information (including a link to register) can be found at:

http://www.proactiveinvestors.co.uk/register/event_details/214

The event will be held at the Chesterfield Mayfair Hotel, 35 Charles Street, Mayfair, W1J 5EB, London. The event is open to private investors, private client brokers, fund managers, financial institutions, hedge funds, buy & sell analysts and journalists. The event is not suitable for people pursuing commercial opportunities.

Jeff Malaihollo will also be available to speak with individual investors after the formal presentations.

Mines and Money Exhibition London

Arc Exploration also will be present at the Mines and Money exhibition in London on 2- 4 December 2013 (booth J18). The exhibition will be held at the Business Design Centre in London, Upper Street, Islington, London N1 0QH.

Mines and Money Exhibition in London is a leading mining investment and capital raising conference and exhibition, bringing together over 3,000 investors, financiers, brokers and mining developers.

Further information (including a link to register) can be found at:

<http://www.minesandmoney.com/london/>

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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, 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.

The information in this report that relates to the Junee 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 and is available to view on the Company's website: 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 announcement 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.



Figure 1. Location of Dobroyde gold deposit, Junee Project, New South Wales

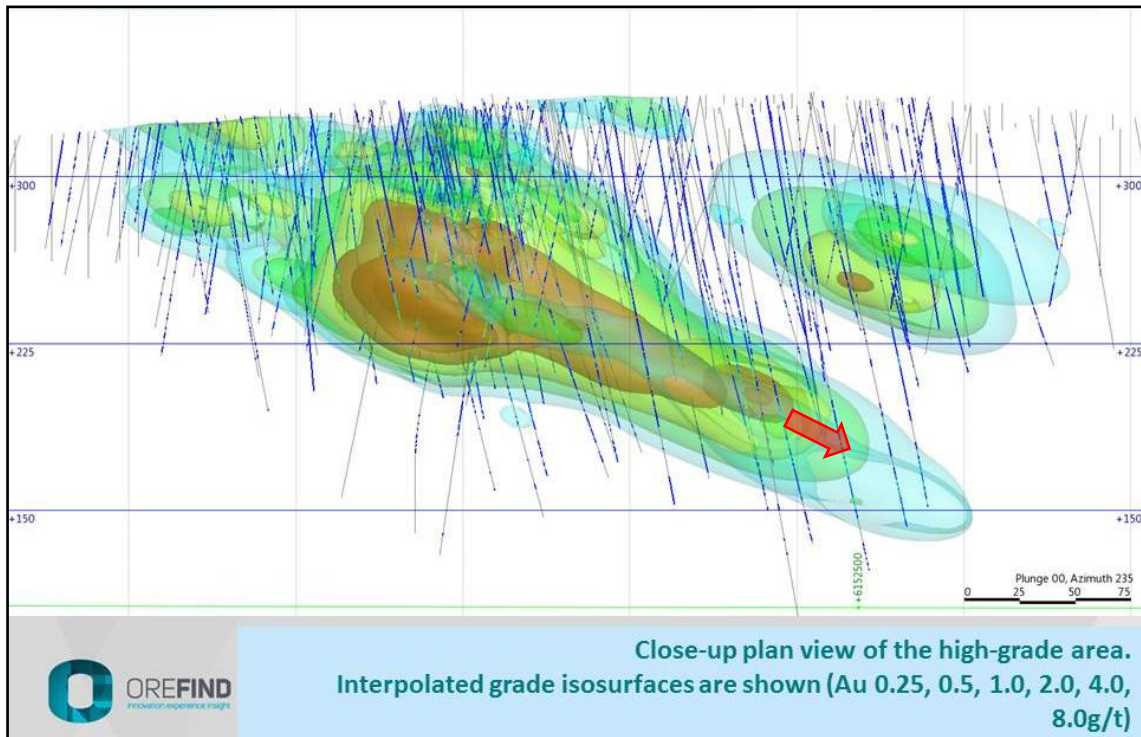


Figure 2. Leapfrog image showing a longitudinal section of the Dobroyde gold deposit & drill-hole traces (Looking Southwest). The grade envelope is about 400m long and plunges at about 20° to the northwest. Lightest blue colour contour is >0.25g/t Au. Lightest brown colour contour is >2g/t Au. Red area shows open plunge direction for potential resource extension.

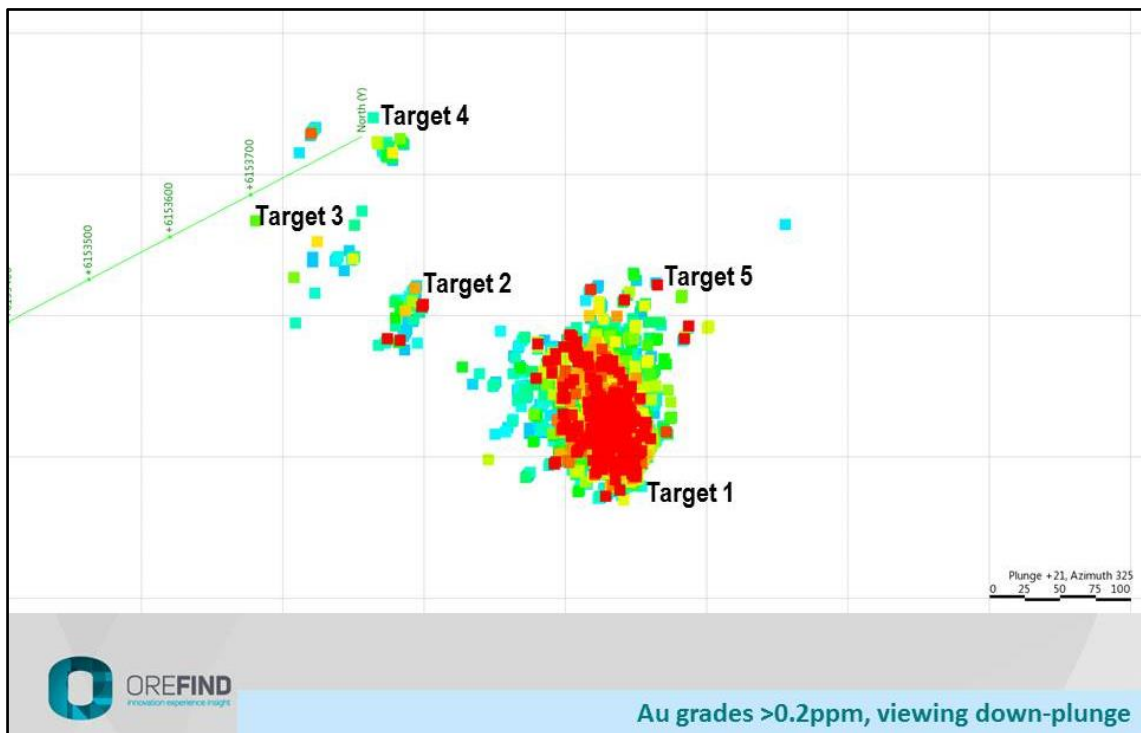


Figure 3. Image showing distribution of 2m composite grade blocks in a cross-section through the Dobroyde gold deposit (Looking Northwest). Light blue block is >0.2g/t Au. Red block is >2g/t Au.

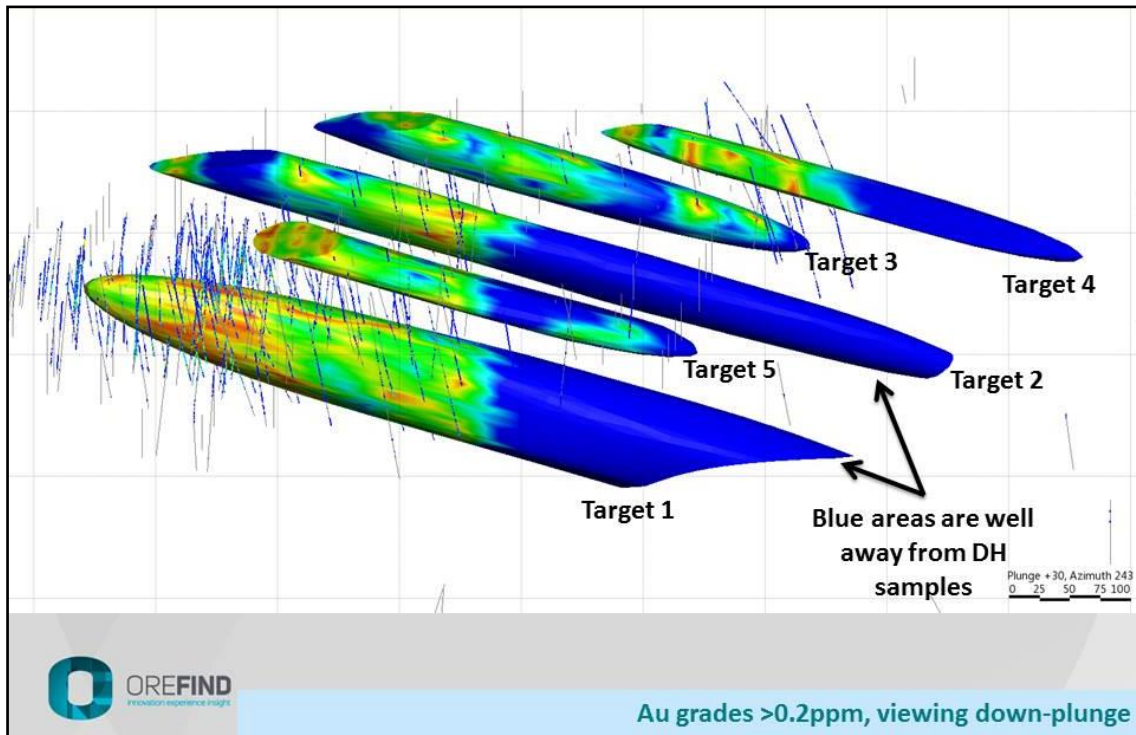


Figure 4. Leapfrog image showing a longitudinal section of the Dobroyde gold deposit (Target 1), surrounding targets (Targets 2-5) & drill-hole traces (Looking Southwest). Lightest green colour is >0.2g/t Au. Red colour is >2g/t Au. Dark blue colour indicates target area for potential additional gold resources