

NEW EXPLORATION LICENCE IN AUSTRALIA

- **ARX granted a new Exploration Licence in Junee District, New South Wales**
- **The new Exploration Licence is west of and contiguous with the optioned tenement package hosting the Dobroyde gold deposit with potential for additional resources & bonanza gold grades**
- **The new licence straddles part of the highly prospective Gilmore Fault Zone and Macquarie Arc**
- **Dobroyde contains some spectacular historic high-grade intercepts, such as 22m at 37.3 g/t gold, 16m at 10.5 g/t gold and 6m at 18.2 g/t gold, within an envelope of low-grade material**

Managing Director, Dr. Jeff Malaihollo, commented:

"The new Exploration Licence is a strategic addition to the existing tenement package owned by New South Resources Limited on which we have an Option to JV. It will enable us to properly assess the potential of the tenements, one of which contains some spectacular historic high-grade intercepts at Dobroyde located adjacent to the new EL. Our work in the coming months will concentrate on understanding the control of mineralization using geological and geophysical methods."

Arc Exploration Limited (ASX Code: ARX) is pleased to announce that it was recently granted a new Exploration Licence in the Junee District of New South Wales, Australia.

The new Exploration Licence, EL 8152, comprises 13 units (approximately 36 square-kilometres) and adjoins the western margin of the package of exploration licences held by New South Resources Limited ("NSR") on which ARX recently announced that it has an Option to Joint Venture.

The new tenement straddles the major regional Gilmore Fault Zone and contains rocks of the Junee-Narromine Volcanic Belt, part of the highly prospective Ordovician-Early Silurian Macquarie 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.

The 77,000-ounce Dobroyde gold deposit (see announcement of 10 July 2013) lies about 2 kilometres to the north in a tenement adjoining EL 8152. Dobroyde is part of the properties optioned by ARX from NSR and the volcanic rocks hosting this gold deposit extend into the new tenement area, highlighting potential for additional gold resources. Historic drilling at Dobroyde has produced significant high-grade gold intercepts within a low-grade mineralization envelope, including 22m at 37.3 g/t gold, 16m at 10.5 g/t gold and 6m at 18.2 g/t gold. There may be potential for further bonanza gold grades within and surrounding Dobroyde.

ARX intends to undertake a literature search of previous exploration work and initiate a program of geophysical and geological interpretation, targeting and ground verification on the new tenement. The Company is also check assaying a metallurgical hole drilled by NSR on the Dobroyde deposit in late 2012 and will report on its results in due course.

Background on the Junee Project

The Junee Project is located in the Lachlan Orogen, a complex geological province endowed with world-class gold and gold-copper deposits.

In addition to the new exploration license reported here, the **Junee Project** comprises another three exploration licences covering about 106 km² along a belt of prospective volcanic rocks that contains several different styles of major gold deposits: high-sulphidation epithermal gold (Gidginbung, Peak Hill), low-sulphidation epithermal gold (Cowal) and porphyry copper-gold (Northparkes).

This project contains an advanced gold target, *Dobroyde*, which is a high-sulphidation epithermal gold system discovered by Getty Oil in the early 1980's.

The table below summarises historic high-grade gold intercepts at Dobroyde on the neighbouring EL 6516, which are included in the 77,000 ounce resource estimation reported by ARX in the Statement of Resources on 10 July 2013.

Hole ID	Company	Year	Hole Type	From (m)	To (m)	Length (m)	Au g/t
DOB11	Getty Oil	1984	RC / Diamond	57	82	25	6.27
				Incl. 64	65	1	36.5
				Incl. 66	67	1	33.2
				Incl. 67	68	1	17.5
				Incl. 69	70	1	15.5
D86-040	Little River Resources	1986	RC	45 Incl. 46	51 47	6 1	5.22 26.2
D86-052A	Little River Resources	1986	RC / Diamond	92	114	22	37.3
				Incl. 98	99	1	26.2
				Incl. 100	101	1	57
				Incl. 101	102	1	115
				Incl. 102	102	1	530
Incl. 103	104	1	34.5				
D86-053	Little River Resources	1986	RC	49 Incl. 50	54 51	5 1	6.45 26.3
D86-078	Little River Resources	1986	RC / Diamond	76 Incl. 76	82 77	6 1	18.21 95
D86-079	Little River Resources	1986	RC / Diamond	121 Incl. 128	149 129	28 1	3.54 52.5
D86-080	Little River Resources	1986	RC / Diamond	96 Incl. 117	130 118	34 1	3.66 29.5
D86-081	Little River Resources	1986	RC / Diamond	63	76	13	5.47
				Incl. 69	70	1	25.5
				Incl. 71	72	1	19
				and 82	83	1	29.5
D87-104	Little River Resources	1987	RC / Diamond	71	95	24	3.23
				Incl. 76	77	1	13.2
				Incl. 77	78	1	34.1
D87-110	Little River Resources	1987	RC / Diamond	105	121	16	10.54
				Incl. 116	117	1	29.9
				Incl. 117	118	1	124
D87-121	Little River Resources	1987	RC / Diamond	69	86	17	5.02
				Incl. 73	74	1	22.4
				and 154	162	8	6.1
Incl. 157	158	1	39.5				



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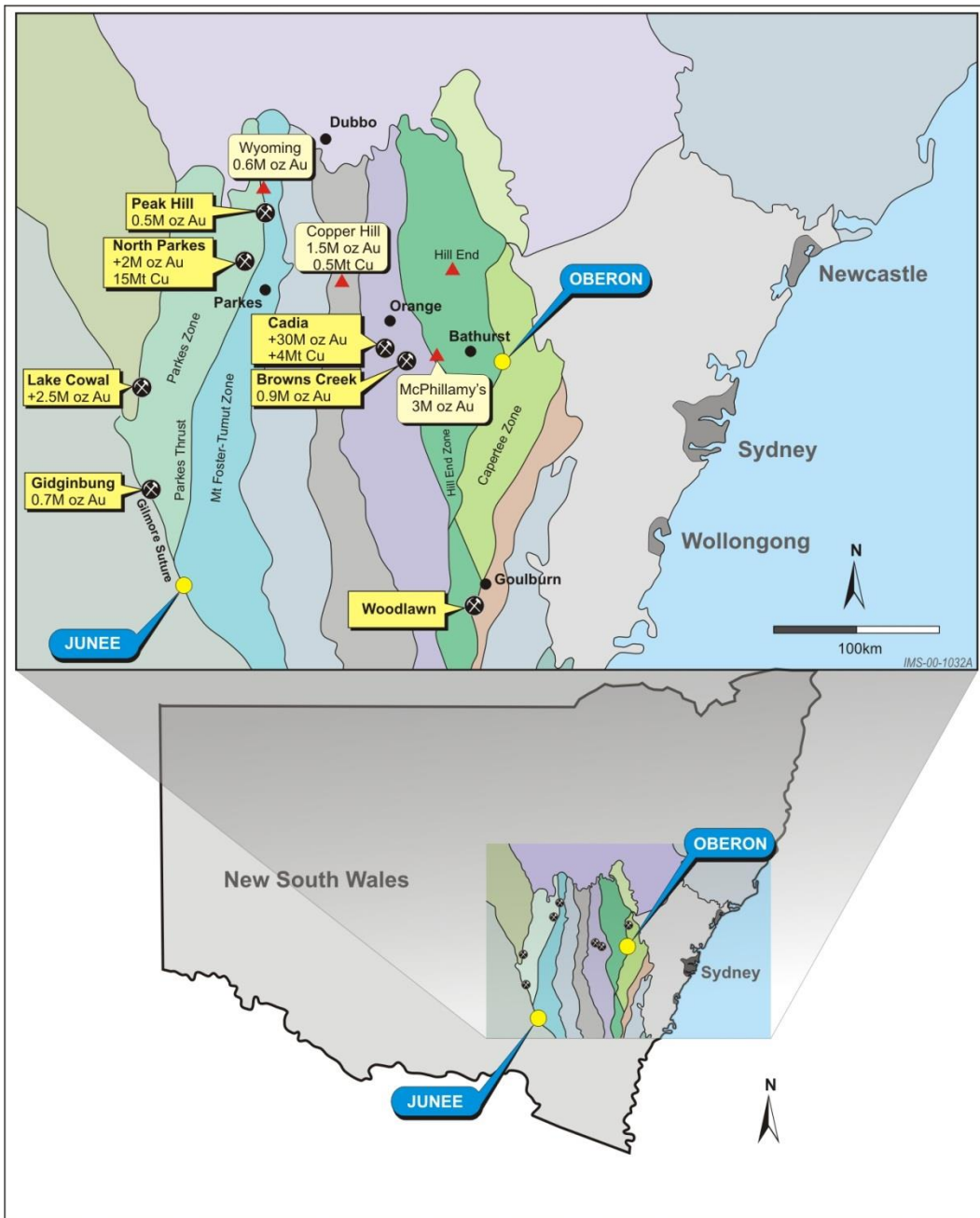
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Competent Person Statement

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.

The information in this report that relates to the Junee Statement of 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.



Location Plan Showing Location of the Junee & Oberon Projects