



## NEWS RELEASE

### **Southern Arc and Dundee Corporation to Make Strategic Investment in Eagle Hill Exploration Corporation and its High-Grade Windfall Lake Property in Quebec, Canada**

**June 28, 2013 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA, OTCQX: SOACF)** (“Southern Arc” or “the Company”) is pleased to announce that it has entered into a strategic investment agreement with Eagle Hill Exploration Corporation (“Eagle Hill”) (TSX-V: EAG) pursuant to which Southern Arc will acquire a 26.2% interest in Eagle Hill. Under the agreement with Eagle Hill, Southern Arc will invest \$7.3 million to acquire 97,333,333 units of Eagle Hill by way of private placement at a price of \$0.075 per share. Each unit comprises a common share of Eagle Hill and a half share purchase warrant, with each whole warrant entitling the holder to acquire a further common share of Eagle Hill at a price of \$0.10 for a period of four years.

Dundee Corporation (“Dundee”) (TSX: DC.A) will also participate in the private placement by investing \$4.7 million to acquire 62,666,667 units of Eagle Hill, thereby increasing its ownership of Eagle Hill from 18.8% to 26.2%.

“We have been involved in the development of Eagle Hill’s Windfall Lake Project and the surrounding gold camp for approximately 20 years and are excited to see the project getting closer to being a producer,” said Ned Goodman, President and CEO of Dundee Corporation. “We are excited to continue to support Eagle Hill and believe the high-grade Windfall Lake mineralization has very good potential to grow well beyond the current resource.”

Southern Arc’s Chairman and CEO, John Proust, stated: “This new Canadian investment is consistent with Southern Arc’s previously announced strategy to diversify, protect and promote shareholder interests through participation in advanced-stage gold projects in favourable jurisdictions outside of Indonesia. Windfall Lake is a strategic addition to our project portfolio that we believe can be rapidly advanced.

“The Southern Arc and Dundee partnership will provide the financial strength, expertise and leadership to unlock the value of this property,” continued Mr. Proust. “Commencing in September 2013, over a 12 to 18 month period Eagle Hill will execute a major new drilling program focused on extending the resource base at Windfall Lake and upgrading the status of the Inferred Resources.”

The board of Eagle Hill will be reconstituted on closing of the transaction, anticipated to occur on or about August 15, 2013, to include two directors appointed by Southern Arc, two appointed by Dundee, and two appointed by Eagle Hill.

With this investment and concurrent transactions, Eagle Hill will own 100% of the Windfall Lake Gold Deposit, which comprises 2,002 hectares in the Abitibi region of Quebec. The Windfall Lake Gold Deposit is located 190 km northeast of Val d’Or, Quebec, a highly favourable jurisdiction for exploration and mining. The greenstone belts of the Abitibi region constitute one of the most prolific gold-producing regions in the world, having produced over 170 million ounces of gold to date. The project is easily accessible by paved highways and all-weather gravel roads. To date 641 diamond drill holes totaling 162,097 metres have been completed on the property, of which 356 (105,340 metres) were considered for the geological and resource modelling.

In July 2012 Eagle Hill announced an updated mineral resource estimate for the Windfall Lake Gold Deposit (Eagle Hill press release dated July 25, 2012), completed by SRK Consulting (Canada) Inc. and summarized in Table 1 below.

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**Table 1. Windfall Lake Resource Estimate**

<b>Resource Category</b>	<b>Quantity (tonnes)</b>	<b>Gold Grade (g/t)</b>	<b>Contained Gold (ounces)</b>
<b>Indicated</b>	1,665,000	10.05	538,000
<b>Inferred</b>	2,906,000	8.76	822,000

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. All figures have been rounded to reflect the relative accuracy of the estimates.
3. Reported at a cut-off grade of 3.0 g/t gold, assuming an underground extraction scenario with an assumed gold price of US\$1,200 per ounce and metallurgical recovery of 97%.
4. The National Instrument 43-101 technical report for this resource estimate was filed by Eagle Hill on SEDAR on September 10, 2012.

Two styles of high-grade gold mineralization have been identified to date at the Windfall Lake Gold Deposit: pyrite-rich disseminations and stockworks occur in the “Main Zone” and its extensions, and more standard shear-hosted type mesothermal mineralization has been drilled in two adjacent locations (Zone F17 and Zone F51). Gold mineralization within the Main Zone has been confirmed by drilling in at least 50 subvertical lenses between two and 35 metres wide occurring within a northeast trending zone 1,400 metres long by 600 metres wide. At least five of the larger lenses (named Mallard, Mink, Cariboo, Zone 27 South, Zone 27) exhibit good lateral and vertical continuity.

Since completion of the SRK July 2012 NI 43-101 technical report, Eagle Hill has completed a further 101 core drill holes for 29,208 metres. This drilling has confirmed extensions to the main mineralized zones both near surface and at depth below previously known mineralization, highlighting the potential to expand the resource with further drilling.

Eagle Hill has recently received assay results from its latest drilling campaign and has reported several new high-grade drill results from the Windfall Lake Gold Deposit (Eagle Hill press release dated May 14, 2013), including:

- EAG13-466 288.5 g/t gold over 12.4 metres (uncut) from 490.8 metres including 4,180 g/t gold over 0.8 metres
- EAG13-461 22.1 g/t gold over 5.5 metres from 260.5 metres
- EAG13-468 5.4 g/t gold over 43.7 metres from 242.0 metres

“Windfall Lake is exactly the type of property we’ve been looking for: an advanced resource definition stage gold project located in a region recognized internationally as a prolific, mining-friendly jurisdiction,” said Dr. Mike Andrews, President and COO of Southern Arc. “Our extensive technical due diligence has confirmed the very high standard of exploration carried out by the Eagle Hill geological team and the quality of the high-grade resource defined to date. Windfall Lake presents Southern Arc with the opportunity to acquire a significant position in a high-quality gold project with good potential for expansion and revaluation.”

Eagle Hill has also signed a binding letter agreement with Noront Resources Ltd. whereby Eagle Hill will use part of the placement proceeds to acquire Noront’s 25% interest in the Windfall Lake Property as well as its existing royalties and other rights over the project. Eagle Hill will then hold 100% ownership of the Windfall Lake Gold Deposit. Eagle Hill will also acquire Noront’s 50% of an adjoining property known as the “29 Claims”. In addition, Eagle Hill has option agreements with Murgor Resources Inc. and Cliffs Natural Resources Inc. (formerly, Freewest Resources Canada Inc.) to earn an interest in other contiguous mining claims surrounding the Windfall Lake Gold Deposit, bringing the potential total landholding of the Windfall Lake Property to 12,400 hectares.

Pursuant to the agreement, Eagle Hill will pay \$5 million in cash and issue 25 million common shares of Eagle Hill to acquire Noront's remaining 25% interest in the Windfall Lake Property. The acquisition of the remaining interest from Noront will complete concurrently with closing of the strategic investment by Southern Arc and Dundee in Eagle Hill.

Southern Arc will call a shareholder meeting to obtain approval of the proposed strategic investment in Eagle Hill. Closing of the investment agreement with Eagle Hill is subject to Southern Arc and Eagle Hill obtaining appropriate shareholder and regulatory approvals. The securities to be issued pursuant to the private placement will be subject to a four-month and one-day hold period in accordance with applicable securities legislation.

**On behalf of the Board of  
Southern Arc Minerals Inc.**

*“John Proust”*

Chairman & Chief Executive Officer

**About Southern Arc Minerals**

Southern Arc Minerals Inc. is a Canadian mineral exploration company focused on gold and copper-gold exploration. The Company's key exploration property is its West Lombok project, with several gold-rich copper porphyry and epithermal gold vein prospects. Southern Arc is listed on the TSX Venture Exchange under the symbol SA and on the OTCQX International under the symbol SOACF. More information is available at [www.southernarcminerals.com](http://www.southernarcminerals.com) or by emailing [info@southernarcminerals.com](mailto:info@southernarcminerals.com).

**About Dundee Corporation**

Dundee Corporation is a Canadian holding company listed on the TSX under the symbol “DC.A”. Through its operating subsidiaries, including Goodman & Company, Investment Counsel Inc., Dundee is engaged in diverse business activities in the areas of its core competencies, including investment advisory, corporate finance and private equity investment in real estate and infrastructure, energy, resources and agriculture. Dundee holds, directly and indirectly, a portfolio of investments mostly in these core areas, as well as other select investments in both publicly listed and private companies.

**About Eagle Hill Exploration Corporation**

Eagle Hill Exploration Corporation is a Canadian mineral exploration company focused on the exploration and development of gold and precious metal prospects. The Company is set to become an advanced stage gold exploration company with its acquisition of the Windfall Lake high-grade gold project, located between Val-d'Or and Chibougamau in Quebec. Eagle Hill seeks projects that contain or have potential to contain large resource potential. The Company's website at [www.eaglehillexploration.com](http://www.eaglehillexploration.com) and public filings at [www.sedar.com](http://www.sedar.com) provide additional information on Eagle Hill's properties and other information with respect to its management and operations.

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### **Forward-looking Statements**

*This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively “forward-looking statements”). The use of any of the words “to make”, “will”, “plan”, “agreed to”, “to be”, “potentially”, “opportunity”, “to earn”, “believe”, “can be”, “will enable”, “unlocking”, “commencing”, “subject to”, “anticipated”, and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such forward-looking statements should not be unduly relied upon. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. This document contains forward-looking statements and assumptions pertaining to the following: general economic, market and business conditions; the ability of the Company to obtain shareholder approval to close this transaction; the ability of the Company to close the transaction on time, or at all; uncertainty involving resource estimates and the ability to extract those resources economically, or at all; uncertainty involving drilling programs and the Company’s ability to expand and upgrade existing resource estimates; the regulatory process and actions; the need to work with local communities and authorities to advance the properties; the need to work with Dundee and Eagle Hill to advance the properties; technical issues; new legislation; competitive factors and conditions; uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and the Company’s ability to execute and implement future plans. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors, including uncertainty related to drill results and the inclusion of drill results in future resource estimates for the property. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct..*

### **Cautionary Note Regarding Resource Estimates and Drilling Results**

*The resource estimates and drilling results included in this press release were previously reported by Eagle Hill Exploration Corporation. Southern Arc’s President & Chief Operating Officer has reviewed the technical information included in this press release, but the Company does not take responsibility for National Instrument 43-101 compliance and associated quality assurance / quality control standards associated with the Windfall Lake Gold Deposit. These resources will not be attributable to Southern Arc until the deal has been approved by shareholders and completed.*

### **Qualified Person**

*The technical information in this document has been reviewed by Southern Arc’s President & Chief Operating Officer, Dr. Mike Andrews, PhD, FAusIMM, who has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.*