



## NEWS RELEASE

### Southern Arc First Quarter Financial Results and Projects Update

**November 27, 2013 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA, OTCQX: SOACF)** (“Southern Arc” or “the Company”) today announced the results of its first quarter ended September 30, 2013, along with an update on its portfolio of projects. Details of the Company’s financial results are described in the unaudited condensed consolidated interim financial statements and Management’s Discussion and Analysis (“MD&A”), which will be available on the Company’s website at [www.southernarcminerals.com](http://www.southernarcminerals.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All amounts are in Canadian dollars unless otherwise stated.

#### FINANCIAL SNAPSHOT

	<b>September 30, 2013</b>	June 30, 2013
Total assets	<b>\$ 16,675,188</b>	\$ 18,192,286
Exploration properties	<b>102,068</b>	102,068
Working capital	<b>8,146,387</b>	16,060,362
Comprehensive loss	<b>(1,517,749)</b>	(41,945,170)
Basic and diluted loss per share	<b>(0.01)</b>	(0.38)

At November 26, 2013, Southern Arc had approximately \$7.6 million in working capital.

#### RECENT DEVELOPMENTS

##### Indonesian Properties

Since releasing a resource estimate for the West Lombok project in July 2013, Southern Arc has maintained low-level activities at West Lombok while continuing to advance discussions with a number of companies for a potential farm-in, partnership or outright sale of the property. While Southern Arc believes the West Lombok project holds great potential, the Company has determined that it can more effectively build shareholder value by identifying a funding partner for West Lombok and redirecting the Company’s treasury to high-quality projects in stable jurisdictions. Southern Arc remains confident that it will find a suitable arrangement, and is working diligently to conclude a transaction that will bring value to the Company. With the backdrop of a challenging market and significantly decreased valuations for junior mining companies, Southern Arc’s management determined that IFRS rules required the Company to write down the West Lombok project, as disclosed in the Company’s year-end financials.

During the quarter, Southern Arc renegotiated the purchase and sale agreement for its Taliwang project whereby an individual will purchase Taliwang in exchange for US\$3,500,000, of which US\$100,000 has been received as a non-refundable deposit. The Taliwang property has been classified as an Asset Held for Sale pending completion of this transaction, which remains contingent on completion of due diligence and other requirements.

Vale remains committed to its option to earn an interest in the East Elang property. The partners do not plan to commence exploration at East Elang until the Indonesian forestry moratorium is lifted and the property can be reclassified. In the interim, Southern Arc continues low-key community engagement and has applied for a suspension of the mining business licence (back-dated from the commencement of the forestry moratorium in May 2011) until the reclassification process has been completed, ensuring that Southern Arc and Vale have adequate time to evaluate the property once exploration commences.

## **Eagle Hill Investment**

On August 14, 2013, the Company invested \$7,324,050 (inclusive of a \$865,000 deposit paid in June 2013) to acquire a 26.14% equity interest in Eagle Hill (TSX-V: EAG). As part of its investment, Southern Arc received 48,827,000 warrants entitling Southern Arc to acquire a further common share of Eagle Hill at a price of \$0.10 per share for a period of four years. Dundee Corporation (TSX: DC.A) also participated in the private placement by investing \$4,675,950 to acquire an additional 62,346,000 shares and 31,173,000 warrants of Eagle Hill, thereby increasing its ownership of Eagle Hill from 18.8% to 26.14%. The \$12 million private placement allowed Eagle Hill to consolidate 100% ownership of the Main Zone on the property, which hosts the majority of the gold deposit.

The \$12 million private placement also funded an aggressive drill program. Three rigs started drilling on September 12, 2013 with the expectation of drilling 25,000 metres by year-end 2013. The deposit is well defined from surface to a depth of 500 metres, and remains open along strike and at depth. Eagle Hill plans to expand the resource by testing a large, sparsely drilled anomaly to the west of the Main Zone, drilling lateral extension of known gold lenses, and testing the extension of mineralization at depth.

Eagle Hill released first results from the drill program on November 5 (see Eagle Hill press release dated November 5, 2013), announcing the discovery of an extension to mineralization and confirming the potential to extend the known gold resource. The Company drilled three sections, stepping out 150, 300 and 500 metres along strike to the southwest of the Main Zone gold mineralization. Each section intersected gold mineralization, with a number of high-grade gold intervals and some wide mineralized intersections. These results support Eagle Hill's hypothesis, based on geophysics of the area and limited previous drilling, that mineralization continues to the southwest of the Main Zone. The three diamond drill rigs have since been relocated to the Main Zone to focus on expanding the strike length of the major resource lenses (the Zone 27, Caribou, Mink and Mallard zones). In addition, a down-hole induced polarization geophysics program is underway to identify possible depth extensions of gold mineralized lenses below the Main Zone. Following completion of this program in December 2013, Eagle Hill plans to release an updated resource estimate in early 2014.

## **RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

During the three months ended September 30, 2013, the Company had a net loss of \$1,517,749 compared to a loss of \$757,053 for the three months ended September 30, 2012. Significant fluctuations occurred in the following categories:

- a) Share-based compensation of \$27,369 (2012: \$93,491) decreased due to lower calculated expense for options vested during the period. Share-based compensation expense is accounted for at fair value as determined by the Black-Scholes Option Pricing Model using estimates that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of share-based compensation, the fair value of the Company's stock and the risk-free interest rate.
- b) Foreign exchange loss of \$61,476 was lower during the three months ended September 30, 2013 (2012: \$128,524) primarily due to lower US\$ cash balances and the net effect fluctuation of the US\$/CDN\$ exchange rate had on the CDN\$ equivalent of the Company's holdings in its US\$ bank balance and its US\$ payables balance.
- c) Management fees increased to \$219,300 compared to \$216,000 in 2012 and are discussed in detail in the Related Parties section.
- d) Professional fees of \$71,035 (2012: \$47,977) increased due to higher level of corporate activity in the period.
- e) Travel expenses of \$11,538 (2012: \$nil) increased as a result of higher level of executive travel during the period.
- f) Interest income of \$31,594 (2012: \$56,327) decreased during the period as a result of lower cash balances.
- g) The Company wrote-off \$555,309 of exploration expenditures incurred on the West Lombok and Sumbawa properties during the period.

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

“John Proust”

Chairman & CEO, Director

**About Southern Arc**

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).

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***Forward-looking Statements***

*This news release contains forward-looking statements relating to expected or anticipated future events and operations, timing of projects and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the company's capability 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. There is no representation by the company that actual results achieved during the forecast period will be the same in whole or in part as that forecast.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

***Qualified Person***

*The technical information in this document has been reviewed by Southern Arc’s Chief Geologist, Andrew Rowe, B. App. Sc. Geology, MAusIMM. Mr. Rowe has over 20 years of international mineral exploration experience throughout Southeast and Central Asia and Australia. During this time he has held such positions as Principal Geologist – Feasibility Studies, Senior Geologist and Consulting Geologist. The technical information in this document has also 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.*

*The drill program and sampling protocol is managed by Southern Arc under the supervision of Andrew Rowe. The diamond drill holes are drilled at PQ, HQ and NQ sizes depending on hole depth and core recovery to date has averaged better than 98.0%. Half core is cut by rock saw and is generally sampled using nominal 1-metre intervals; however, sample intervals are varied according to geological contacts and have ranged between 0.2 to 2.5 metres in length. Three quality control samples (one blank and two standards) are inserted into each batch of 40 samples. The half core samples are securely transported from the project site to the Intertek Testing Services (“ITS”) sample preparation laboratory in Sumbawa Besar via private truck hired by Southern Arc. Sample pulps are then sent to the ITS Jakarta laboratory by ITS. Gold is analysed by fire assay with AAS finish and a four-acid digestion with ICP-MS finish is used to analyse a full suite of elements including silver and base metals. ITS is one of the world’s largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System for sample tracking, quality control and reporting.*