



## NEWS RELEASE

### Southern Arc Files Technical Report and Updated Mineral Resource Statement for Windfall Lake Gold Project

**July 17, 2014 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA, OTCQX: SOACF)** (“Southern Arc” or the “Company”) today filed a Technical Report pursuant to the Canadian Securities Administrators’ National Instrument 43-101 and Form 43-101F1 regarding an updated resource estimate for the Windfall Lake Gold Project, located in the Abitibi Gold Belt approximately 200 km northeast of Val d’Or, Quebec. The resource estimate and technical report were completed by SRK Consulting (Canada) Inc. (“SRK”). The technical report is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.southernarcminerals.com](http://www.southernarcminerals.com).

In August 2013, Southern Arc acquired a 26.14% interest in Eagle Hill by way of a private placement; the Company has since purchased additional shares. As of July 17, 2014, Southern Arc owned 26.25% of Eagle Hill’s issued and outstanding shares and 30.86% of Eagle Hill on a fully diluted basis. Since Windfall Lake is considered a material property for Southern Arc, Southern Arc is required to file a technical report for the property pursuant to section 4.2.(1)(j)(i) of National Instrument 43-101 and Sections 4.2(3)-(5) of the Companion Policy of National Instrument 43-101. The report filed by Southern Arc today is a duplicate of the technical report prepared by SRK for Eagle Hill and filed by Eagle Hill on SEDAR on April 17, 2014.

As announced by Eagle Hill on March 3, 2014, SRK has estimated an indicated mineral resource for the Windfall Lake Gold Project of 2,375,000 tonnes grading 9.75 g/t gold for contained gold of 744,000 ounces, with an additional inferred mineral resource estimated at 3,084,000 tonnes grading 7.37 g/t gold for contained gold of 731,000 ounces. Compared to the previous mineral resource estimate completed in July 2012, the indicated mineral resource tonnage and contained gold have increased by 43% and 38%, respectively. The indicated grade of 9.75 g/t gold makes Windfall Lake one of the highest-grade resource-stage gold projects in the world, located in one of the world’s best mining jurisdictions.

#### Mineral Resource Statement, Windfall Lake Gold Project, Quebec SRK Consulting (Canada) Inc., March 3, 2014

Resource Classification	Tonnes	Grade (g/t)	Contained Gold (ounces)
Indicated	2,375,000	9.75	744,000
Inferred	3,084,000	7.37	731,000

1. Prepared by SRK Consulting (Canada), Inc. with an effective date of March 3, 2014.
2. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.
3. All figures have been rounded to reflect the relative accuracy of the estimates.
4. Reported at a cut-off grade of 3.0 g/t gold, assuming an underground extraction scenario, a gold price of US\$1,200 per ounce and metallurgical recovery of 91.7% achieved on a 10.4 g/t gold test composite.

The Windfall Lake property database contains 706 core boreholes, drilled between 1986 and 2013. Of these, 635 boreholes (179,641 metres) were completed between 1996 and 2013 and were considered for geological and mineral resource modelling. In reviewing the results of the mineral resource modelling work, SRK drew the following conclusions:

- Infill and step-out drilling, as well as re-logging archived core and structural geology investigations, particularly in the Main Zone, have vastly improved the confidence in the geological and mineralization model and the confidence in the continuity of the gold mineralization;
- There is good potential to expand the mineral resources along strike to the southwest. The new geological model suggests that the pyrite stockwork containing the bulk of the Main Zone continues in this direction, and core boreholes from the Fall 2013 drill program intersected gold mineralization in this area;
- There is also good potential to expand the mineral resources at depth below the Red Dog dike. Drilling completed in 2013 confirms that the pyrite stockwork extends below the Red Dog dike, where the gold mineralization exhibits grade and thickness characteristics similar to that found near surface. In addition, the Fall 2013 deep hole-to-hole induced polarization survey identified two high priority targets below the Red Dog dike, near the known intercepts.

The mineral resources identified to date occupy only a small footprint within the Windfall Lake property and the gold mineralized zones are open at depth, to the northeast and southwest along the main deformation corridor identified by Eagle Hill. SRK recommended a work program that includes:

- Drilling within the Main Zone to target areas below the Red Dog dike;
- Drilling to test the strike extension of the known gold mineralization to the southwest;
- A hole-to-hole induced polarization survey using proposed deep boreholes as survey platforms to maximize the investigation for additional gold mineralization at depth; and
- Environmental baseline, permitting, metallurgical, geotechnical, conceptual mining, and other engineering studies required to evaluate the conceptual economic viability of a mining project.

### **Windfall Lake 2014 Drill Program and Preliminary Economic Assessment Study**

On June 24, 2014, Eagle Hill released the results of its 3,333-metre 2014 winter drill program, and announced that the Company intends to complete a 2,800-metre drill program in the summer of 2014, targeting the extension of mineralization to the northeast below the Red Dog dike. Eagle Hill plans to deepen six existing boreholes in a target zone that is currently untested. Eagle Hill also plans to undertake additional hole-to-hole IP survey to define further drill targets at depth. Geological studies indicate that the gold mineralization hosted by Zone 27 and the Caribou Zone may have been displaced laterally as much as 600 metres below the Red Dog dike, which coincides with a hole-to-hole IP anomaly identified below Red Dog.

Eagle Hill also announced that its Board of Directors has approved the initiation of a Preliminary Economic Assessment Study for the Windfall Lake Gold Project. Eagle Hill's Board of Directors has determined that completing the environmental, engineering and economic studies associated with a Preliminary Economic Assessment Study will provide further clarity on the potential of advancing the Windfall Lake Gold Project to production.

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

*“John Proust”*

Chairman & Chief Executive Officer

### **About Eagle Hill Exploration and the Windfall Lake Gold Project**

Eagle Hill Exploration Corporation is a Canadian mineral exploration company focused on the exploration and development of the high-grade Windfall Lake gold deposit, located between Val-d'Or and Chibougamau in Quebec, Canada. The current mineral resource comprises 2,375,000 tonnes at 9.75 g/t gold (744,000 ounces) in the indicated category and 3,084,000 tonnes at 7.37 g/t gold (731,000 ounces) in the inferred category (Technical Report for the Windfall Lake Gold Project, Quebec prepared by SRK Consulting (Canada) Inc., dated March 3, 2014). These grades make Windfall Lake one of the highest grade resource-stage gold projects in the world. The bulk of the mineralization occurs in the Main Zone, a southwest/northeast trending zone of stacked mineralized lenses, measuring approximately 600 metres wide and at least 1,400 metres long. The deposit remains open at depth and along strike, with additional drilling and technical work planned for 2014. More information is available at [www.eaglehillexploration.com](http://www.eaglehillexploration.com).

## **About Southern Arc**

Southern Arc Minerals Inc. is a Canadian mineral exploration company focused on gold and copper-gold exploration. The Company holds two exploration properties in Indonesia: West Lombok, a resource-stage property with several gold-rich copper porphyry and epithermal gold vein prospects, and East Elang, a grassroots exploration property that will be advanced in partnership with Vale International SA. Southern Arc also owns 26% and is joint operator of Eagle Hill Exploration, which owns the high-grade Windfall Lake Gold Project in Quebec, Canada. More information is available at [www.southernarcminerals.com](http://www.southernarcminerals.com).

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*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 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 technical information in this document has also been reviewed by Eagle Hill's Vice President Exploration, Jean-Philippe Desrochers, PhD, PGeo, 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 Eagle Hill under the supervision of Jean-Philippe Desrochers. Core boreholes are drilled at NQ sizes and core recovery to date has averaged better than 95.0%. Half core is cut by rock saw and is generally sampled using nominal 1-metre intervals; however, sample intervals vary according to geological contacts and have ranged between 0.3 to 1.5 metres in length. Two quality control samples (one blank and one certified reference material) are inserted into each batch of 20 samples. All assays were performed by ALS Chemex Laboratory Group, in Val d'Or, Quebec. The half core samples are securely transported from the project site to the ALS Chemex laboratory by Eagle Hill personnel. Gold analyses reported in this release were performed by standard fire assay using a 50-gram charge with atomic absorption finish and a gravimetric finish for assays greater than 10 grams per tonne and by metallic sieve method for samples containing significant amounts of pyrite or visible gold. In addition, an Aqua regia digestion with ICP-AES finish is used to analyse a full suite of elements including silver and base metals.*

## **Cautionary Note Regarding 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 "potential", "intends", "plans", "expand", "initiation", "will" 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. This document contains forward-looking statements and assumptions pertaining to the following: 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 Eagle Hill and Dundee to advance the property; 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.*