



## NEWS RELEASE

### Southern Arc to Hold 6.3% of New Premier Canadian Junior Gold Mining Company

**June 10, 2015 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA)** (“Southern Arc” or “the Company”) is pleased to announce that Eagle Hill Exploration Corporation (TSX-V: EAG) (“Eagle Hill”), in which Southern Arc holds a 26.25% interest, has entered into a significant transaction to create a new mining company focused on the exploration and development of gold properties in Canada’s Abitibi Gold Belt.

As announced by Eagle Hill on June 9, Oban Mining Corporation (TSX: OBM) (“Oban”) has entered into binding letter agreements providing for the launching of supported take-over bids with each of Eagle Hill, Temex Resources Corp. (TSX-V: TME) (“Temex”), Ryan Gold Corp. (TSX-V: RYG) (“Ryan Gold”) and Corona Gold Corporation (CSNX: CRG) (“Corona”). Completion of the transactions is subject to Oban obtaining shareholder and Toronto Stock Exchange (“TSX”) approval. The combination of these five companies will create a leading Canadian focused gold exploration and development company (herein referred to as “New Oban”).

In addition, Oban has agreed, subject to TSX approval, to complete a private placement with Osisko Gold Royalties Ltd. (“Osisko”) whereby Osisko will invest up to \$20 million in common shares in the capital of Oban (“Oban Shares”) at a price of \$0.11 per Oban Share (the deemed net asset value per share value of Oban), provided that such investment shall not be for more than 19.9% of New Oban.

New Oban brings together major exploration assets in Ontario and Quebec under experienced management in a well-capitalized vehicle, with over \$65 million in cash and a significant global gold resource. Dundee Corporation and Osisko will be key shareholders in New Oban, by virtue of their respective existing holdings in four of the five companies involved in the combination, and Osisko’s new investment.

Oban has offered Eagle Hill shareholders 10 Oban Shares in exchange for each common share of Eagle Hill, providing a premium of 258% to the 15-day volume weighted average price (“VWAP”) of Eagle Hill on the TSX Venture Exchange (“TSX-V”) ending on June 8, 2015. Additionally, each shareholder of Eagle Hill will receive five common share purchase warrants of Oban (each a “Warrant”) per common share of Eagle Hill, entitling warrant holders to purchase one Oban share at a price of \$0.15 per Oban share for a period of 36 months following the closing date. Oban will make an application to the TSX to list the Warrants.

Southern Arc currently holds 6,258,639 shares in Eagle Hill. Southern Arc’s Board of Directors has entered into a lock-up agreement to vote its shares in support of the proposed transaction. If the transaction closes as currently proposed, Southern Arc will hold 62,586,390 shares in New Oban, making Southern Arc one of the largest shareholders, after Osisko and Dundee, with a 6.3% interest in New Oban. Southern Arc will also hold a substantial warrant position, with 31.3 million New Oban warrants exercisable at \$0.15 until 36 months from closing, 10 million warrants exercisable at \$0.16 until May 8, 2016, 3.8 million warrants exercisable at \$0.20 until April 8, 2016, and 24.4 million warrants exercisable at \$0.20 until August 14, 2017.

“The combination of Eagle Hill, Oban Mining, Temex Resources, Ryan Gold and Corona Gold will form a prominent junior mining company in Canada, with promising gold assets, a substantial treasury, and a management team with an exceptional track record,” said John Proust, Chairman and CEO of Southern Arc. “Eagle Hill’s Windfall Lake project, following completion of the Preliminary Economic Assessment in April, stands out as the most advanced and highest-grade deposit in the group.

“Eagle Hill’s inclusion as a primary founding company in New Oban further validates Southern Arc’s investment strategy. New Oban will have the funding in place to accelerate Windfall Lake’s development, and the market recognition of best-in-class management and directors with Osisko and Dundee at the helm. We believe this combination is the best way to create near-term shareholder value for both Southern Arc and Eagle Hill.”

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The transaction brings together mining industry leaders Sean Roosen and Ned Goodman as Co-Chairs of the new board of directors, together with Patrick F.N. Anderson, John Burzynski, Murray John, Rene Marion, Keith McKay, Jose Vizquerra, Robert Wares and David Christie. Management changes will see the current Chairman of Oban, John Burzynski, appointed President and Chief Executive Officer of New Oban, while Jose Vizquerra, current President and Chief Executive Officer of Oban, will become Senior Vice President and Chief Operating Officer of New Oban. New Oban will be headquartered in Montreal with a Toronto corporate office. Exploration, engineering and administrative services will be provided by Montreal-based Osisko.

### ***Particulars of the Transactions***

Oban has agreed to offer Eagle Hill shareholders 10.0 Oban Shares in exchange for each common share of Eagle Hill. The offer will provide Eagle Hill shareholders with a premium of 258% to the 15-day VWAP of Eagle Hill on the TSX-V ending on June 8, 2015. Additionally, each shareholder of Eagle Hill will receive five Oban Warrants per common share of Eagle Hill. Each Warrant will entitle the holder thereof to purchase one Oban share at a price of \$0.15 per Oban share, for a period of 36 months following the closing date. Oban will make an application to the TSX to list the Warrants. Pursuant to the transaction, existing Eagle Hill warrants will become exercisable into the transaction consideration. Shareholders of Eagle Hill representing 57% of the common shares of Eagle Hill have entered into lock-up agreements with Oban in support of the transaction.

Oban has agreed to offer Temex shareholders 0.780 of an Oban Share in exchange for each common share of Temex, providing Temex shareholders with a premium of 35% to its 15-day VWAP on the TSX-V. Shareholders of Temex representing 1% of the common shares of Temex have entered into lock-up agreements with Oban in support of the transaction.

Oban has agreed to offer Ryan Gold shareholders 1.880 Oban Shares in exchange for each common share of Ryan Gold, providing Ryan Gold shareholders with a premium of 69% to its 15-day VWAP. Shareholders of Ryan Gold representing 29% of the common shares of Ryan Gold have entered into lock-up agreements with Oban in support of the transaction.

Oban has agreed to offer Corona shareholders 7.671 Oban Shares in exchange for each common share of Corona, providing Corona shareholders with a premium of 146% to its 15-day VWAP. Shareholders of Corona representing 45% of the common shares of Corona have entered into lock-up agreements with Oban in support of the transaction.

Oban has the option to revise the transaction structure for each bid and proceed by way of plan of arrangement should it conclude that is necessary or desirable.

In addition, Oban has agreed, subject to TSX approval, to complete a private placement (the "Private Placement") with Osisko whereby Osisko will invest up to \$20 million in Oban at a price of \$0.11 per Oban Share, provided that such investment shall not be for more than 19.9% of New Oban. The financing commitment includes the grant to Osisko of first rights to participate in royalties and streams to be created by New Oban, pro rata financing participation rights and the right to nominate three directors to the board of New Oban. For a period of five years from the date of closing of the Private Placement, Osisko will have a one-time right, should New Oban seek financing through the debt or equity markets, to provide first financing to Oban equal to \$5 million in exchange for the granting by Oban of a 1% NSR over such properties as are wholly-owned by Oban immediately following completion of the Private Placement.

New Oban will have approximately 1,105.9 million common shares outstanding on a post-consolidation basis and will have an estimated market capitalization of approximately \$122 million (based on post-consolidation trading price of \$0.11/share, which corresponds to the deemed net asset value per share value of Oban agreed for the purposes of the transactions). Upon closing of the transactions, and prior to giving effect to the Private Placement by Osisko, the ownership percentages of each group will be as follows: Eagle Hill (28%), Temex (16%), Ryan Gold (24%) and Corona Gold (19%). Following the combination, it is estimated that Osisko and Dundee will own approximately 18% and 15% of New Oban, respectively.

Pursuant to the binding agreements, Oban has committed to working with each of the other companies to settle binding agreements and launch the take-over bids (or such other transaction structure as Oban may determine necessary or desirable) on or before June 30, 2015 and in any event no later than July 21, 2015. Each offer is to be subject to typical conditions including a requirement to obtain 66<sup>2</sup>/<sub>3</sub>% support from the shareholders of each company. Certain of the transactions are cross-conditional, including the requirement by each of Eagle Hill, Corona and Ryan Gold that their acquisitions may only be completed together and with the placement from Osisko also being completed.

Dundee Corporation has delivered lock-ups in connection with its holdings in Ryan Gold, Corona and Eagle Hill.

### **About Oban Mining Corporation**

Oban Mining Corporation is a mineral exploration company focused on the acquisition, exploration, and development of precious metal resource properties in Canada. In addition to the Company's interest in the Miller Project pursuant to the Option Agreement, the Company also holds options with other third parties to acquire a 100% undivided interest in the Côté Property, the Golden Dawn Project, the Hunter Property and other properties in the vicinity, all of which are located in northern Ontario. The Company has additionally acquired a 100% interest in the Roach Property in northern Ontario and has a 100% undivided interest in a large area of claims in the Urban Barry area of Quebec. The Company is well financed with over \$10 million in cash.

### **About Eagle Hill Exploration Corporation**

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 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. Eagle Hill completed a Preliminary Economic Assessment for the project in April 2015. Additional exploration and technical work is planned for 2015 and 2016 as the project advances toward pre-feasibility.

### **About Temex Resources Corp.**

Temex is a Canadian based exploration company focusing on its portfolio of precious metals properties in the world class mining district of northeastern Ontario. Temex is advancing the Timmins Whitney Gold Project, in partnership with Goldcorp Canada Ltd., and exploring its 100%-owned Jubu Gold Project.

### **About Ryan Gold**

Ryan Gold is a TSX Venture Exchange listed exploration and development company that historically focused its exploration on properties in the Yukon Territory, Canada. As at May 31, 2015, the Ryan Gold had approximately \$21 million in cash and \$800,000 in marketable securities.

### **About Corona Gold**

Corona is a CNSX-listed resource investment company, with assets of approximately \$9 million in cash and \$6 million in marketable securities as at May 31, 2015.

### **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 is advancing two 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% of Eagle Hill Exploration, which is advancing 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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### ***Forward-looking Statements***

*This news release contains forward-looking statements relating to expected or anticipated future events 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, 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.*