

NEWS RELEASE

Southern Arc Directs Investors to Eagle Hill Exploration's Preliminary Economic Assessment Technical Report

June 11, 2015 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) is pleased to announce that Eagle Hill Exploration Corp. (TSX-V: EAG) (“Eagle Hill”) has filed on SEDAR the National Instrument 43-101 technical report for the Preliminary Economic Assessment (“PEA”) for Eagle Hill’s 100%-owned Windfall Lake Gold Project (“Windfall Lake” or the “Project”) in Quebec, Canada. Southern Arc owns 26.25% of Eagle Hill.

Highlights of the Windfall Lake PEA are summarized below. Additional information is available in Eagle Hill’s press release dated April 28, 2015. The entire technical report is available for download on Southern Arc’s website at www.southernarcminerals.com and on SEDAR at www.SEDAR.com. All figures are quoted in Canadian dollars unless otherwise noted.

The PEA outlines the design of a 1,200 tonne per day (“tpd”) underground mine producing 106,200 ounces of payable gold annually for 7.8 years at an average total cash cost of \$558/oz of gold (US\$480/oz). At the base case gold price of US\$1,200/oz the project has a pre-tax internal rate of return (“IRR”) of 23.6% and a net present value discounted at 5% (“NPV₅”) of \$241.4 million (post-tax 17.2% and \$135.2 million). At a gold price of US\$1,320/oz the pre-tax IRR and NPV₅ increase to 29.1% and \$325.9 million, respectively (post-tax 21.1% and \$183.5 million) and at a gold price of US\$1,440/oz the pre-tax IRR and NPV₅ increase to 34.4% and \$410.5 million, respectively (post-tax 24.8% and \$230.1 million). Initial project capital costs are estimated at \$240.6 million. Project economics are most sensitive to the exchange rate and gold price and least sensitive to operating costs.

PEA Highlights ¹

Total LOM production	828,000 ounces of payable gold
Average LOM annual production	106,200 ounces of payable gold
Average LOM operating cash cost	C\$547 per ounce (US\$471)
LOM total cash cost	C\$558 per ounce (US\$480)
LOM total cash cost plus sustaining capital	C\$623 per ounce (US\$536)
Mine life	7.8 years
Throughput	1,200 tpd
Average mined grade	8.26 g/t gold
Gold recovery	95.7%
Pre-production capex	C\$240.6 million (US\$206.9 million)
Sustaining capex	C\$53.5 million (US\$46.0 million)
Pre-tax NPV ₅	C\$241.4 million (US\$207.6 million)
Pre-tax IRR and payback	23.6%, payback in 3.4 years
Post-tax NPV ₅	C\$135.2 million (US\$116.3 million)
Post-tax IRR and payback	17.2%, payback in 3.9 years
Base case gold price	US\$1,200 per ounce
Base case exchange rate	US\$0.86:C\$1

¹ Operating cash cost = all on site operating costs. Total cash cost = operating cash cost plus royalties plus refining plus transport. Total cash cost plus sustaining = total cash cost plus sustaining capital costs (excludes initial capex).

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty the results of the PEA will be realized.

The PEA was led by TetraTech Inc.'s Canadian Mining Division (mine design, infrastructure and financial analysis), with contributions from Soutex Inc. (metallurgy and mill trade-off study), Golder & Associates Ltd. (environmental), WSP Global Inc. (tailings evaluation) and SRK Consulting (Canada), Inc. (mineral resource estimate).

Eagle Hill and the PEA consultants have identified a number of opportunities to optimize the project, including the possibility of reducing operating costs by bringing hydro power to site, improving project economics by incorporating silver credits, and the potential to both expand and upgrade the resource with additional drilling.

“As a significant investor in Eagle Hill, Southern Arc’s Board of Directors was very encouraged with the outcome of the Windfall Lake PEA,” said John Proust, Chairman and CEO of Southern Arc. “We believe Windfall Lake to be one of the most promising development-stage projects in Canada, with good upside potential for Southern Arc’s shareholders.

“On June 9th Eagle Hill announced a proposed transaction that would see Eagle Hill combine with Oban Mining, Temex Resources, Ryan Gold and Corona Gold to create a new leading Canadian focused gold exploration and development company. Our support for that transaction was based, in part, on Oban’s intention to continue advancing the Windfall Lake Project through feasibility and toward production.”

On Behalf of the Board of Directors

“John Proust”

Chairman and CEO

About Southern Arc Minerals

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, and has applied for 38 exploration licenses in Northern Japan. More information is available at www.southernarcminerals.com.

Southern Arc Contact

Rhilyn Bailie
Vice President, Communications & Investor Relations
Phone: 604-609-6147
Email: info@southernarcminerals.com

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 Windfall Lake Project is under the direct supervision of Jean-Philippe Desrochers, PhD, PGeo, Eagle Hill’s Vice President Exploration, and Paul-Henri Girard, Eng, a Director of Eagle Hill, both of whom have sufficient experience relevant to the style of mineralization under

consideration and qualifies as a *Qualified Person* (“QP”) as defined by National Instrument 43-101 (“NI 43-101”). All scientific and technical information in this press release in respect of the Windfall Lake Project or the PEA is based upon information prepared by or under the supervision of the following individuals: for TetraTech Inc.’s Canadian Mining Division, Mike McLaughlin, PEng (mining); for Golder & Associates Ltd., Rodrigue Ouellet, Eng (Environment); for WSP Global Inc., Marie-Claude Dion, Eng (tailings and water storage facility); for Soutex Inc., Pierre Roy, Eng (metallurgy and processing). The geological model was constructed by Dr. Jean-François Ravenelle, PGeo, and Dominic Chartier, PGeo. Dr. Ravenelle and Mr. Chartier are full-time employees of SRK Consulting (Canada) Inc. and QPs under NI 43-101, and are independent of the Company.

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”, “proposed”, “will”, “advance” 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 as a result of the proposed Eagle Hill combination and how that will affect Southern Arc’s investment in Eagle Hill; uncertainty as a result of the proposed Eagle Hill combination and how that will affect future exploration and development of the Windfall Lake property; the preliminary nature of the Windfall Lake PEA and Eagle Hill’s ability to realize the results of the PEA; uncertainty regarding the inclusion of inferred resources in the mineral resource estimate and Eagle Hill’s ability to upgrade the inferred mineral resources to a higher category; uncertainty regarding the ability to convert any part of the mineral resource into mineral reserves; uncertainty involving resource estimates and the ability to extract those resources economically, or at all; uncertainty involving drilling programs and Eagle Hill’s ability to expand and upgrade existing resource estimates; uncertainties regarding the market price for gold and its effect on project economics; uncertainties regarding the C\$:US\$ exchange rate and its effect on project economics; the regulatory process and actions; the need to work with local communities and authorities to advance the properties; the need to work with Dundee Corporation and Southern Arc Minerals to advance the Windfall Lake property; technical issues; new legislation; competitive factors and conditions; uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and Eagle Hill’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. Southern Arc 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.