

NEWS RELEASE

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Southern Arc Announces up to \$1 Million Financing

January 4, 2016 – Vancouver, British Columbia – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) has negotiated the terms of a non-brokered private placement for up to \$1.0 million through the sale of up to 4.166 million Units at a price of \$0.24 per Unit. Each Unit will consist of one common share and one share purchase Warrant. Each Warrant will entitle the holder to purchase one common share of the Company for a period of five years at an exercise price of \$0.32.

The private placement is subject to TSX Venture Exchange approval. No finder fees are payable in connection with this financing.

Proceeds of the financing will be used for general working capital.

On behalf of the Board of Southern Arc Minerals Inc.

“John Proust”

Executive 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 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 holds an investment in Oban Mining Corporation, which is advancing the high-grade Windfall Lake Gold Project in Quebec, Canada, and has applied for 80 prospecting rights licenses in Northern Japan in an area with known gold occurrences and a history of mining. More information is available at www.southernarcminerals.com.

Southern Arc Contact

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This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively “forward-looking statements”). The use the word “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 regarding the receipt and timing of approval of the TSX Venture Exchange; uncertainty regarding the completion of the financing; uncertainty regarding the effect of the financing on Southern Arc’s future share price and trading; uncertainties resulting from potential delays or changes in plans; and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. 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.