

NEWS RELEASE

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Southern Arc Closes Financing for \$1 Million

January 26, 2016 – Vancouver, British Columbia – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) today announced that the Company has closed its previously announced private placement. The Company sold 4,166,667 units (the “Units”) at a price of \$0.24 per Unit, for gross proceeds to the Company of \$1,000,000. Each Unit consists of one common share and one non-transferable share purchase warrant (the “Warrants”). Each Warrant entitles the holder to purchase one common share of the Company for a period of five years at an exercise price of \$0.32.

No finder fees were paid in connection with the financing. The proceeds of the private placement will be used for general working capital. Under applicable Canadian securities laws, the common shares are subject to a four-month and one day hold period, expiring on May 26, 2016. The TSX Venture Exchange has conditionally approved the listing of the common shares and the common shares underlying the Warrants issued pursuant to the private placement, subject to satisfying certain listing conditions.

“We are pleased to have completed a substantial and important financing in exceptionally challenging market conditions,” said John Proust, Chairman and CEO of Southern Arc. “I would like to personally thank our shareholders for their continued support. That so many directors and existing shareholders chose to increase their positions in Southern Arc underscores the Company’s potential.”

Pursuant to the private placement, Dr. Michael Andrews of Jersey, Channel Islands, President & COO of Southern Arc, has acquired 1,355,000 Units consisting of 1,355,000 common shares of the Company representing approximately 9.0% of the issued and outstanding shares on a non-diluted basis. Dr. Andrews has acquired 1,355,000 Warrants which, together with his 1,355,000 common shares and assuming his Warrants are exercised, represent approximately 18.0% of the issued and outstanding shares on a partially diluted basis. As a result of the foregoing acquisition and assuming exercise of the acquired Warrants, and including his existing holding of 292,500 common shares, Dr. Andrews would have direct and indirect beneficial ownership or control and direction over a total of 3,002,500 common shares of the Company representing approximately 19.9% of the issued and outstanding shares on a partially diluted basis, assuming no further common shares of the Company have been issued.

Dr. Andrews also holds a total of 180,000 stock options of the Company. If Dr. Andrews were to exercise all of his stock options, he would then own 3,182,500 common shares of the Company representing approximately 21.1% of the issued and outstanding shares assuming that no further common shares of the Company have been issued.

Pursuant to the private placement, John Proust of Vancouver, British Columbia, Chairman & CEO of Southern Arc, has acquired 500,000 Units consisting of 500,000 common shares of the Company representing approximately 3.3% of the issued and outstanding shares on a non-diluted basis. Mr. Proust has acquired 500,000 Warrants which, together with his 500,000 common shares and assuming his Warrants are exercised, represent approximately 6.6% of the issued and outstanding shares on a partially diluted basis. As a result of the foregoing acquisition and assuming exercise of the acquired Warrants, and including his existing holding of

606,233 common shares, Mr. Proust would have direct and indirect beneficial ownership or control and direction over a total of 1,606,233 common shares of the Company representing approximately 10.7% of the issued and outstanding shares on a partially diluted basis assuming no further common shares of the Company have been issued.

Mr. Proust also holds a total of 180,000 stock options of the Company. If Mr. Proust were to exercise all of his stock options, he would then own 1,786,233 common shares of the Company representing approximately 11.8% of the issued and outstanding shares assuming that no further common shares of the Company have been issued.

This information regarding ownership of common shares and warrants is being issued pursuant to Multilateral Instrument 62-103, and a report respecting the above private placement will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com or by contacting Southern Arc at 604-609-6147.

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.

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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.

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 effect of the financing on Southern Arc’s future share price and trading; uncertainties resulting from potential delays or changes in plans; uncertainties regarding Southern Arc’s portfolio of projects; 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.