

NEWS RELEASE

Vale Elects Not to Proceed with East Elang Property Agreement

February 4, 2016 – Vancouver, British Columbia – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) today announced that Vale International S.A. has notified Southern Arc that it will not be proceeding with a potential joint venture at Southern Arc’s East Elang property, as contemplated by the option and joint venture agreement signed by the parties on October 3, 2010.

“Southern Arc and Vale have proceeded with the best of intentions, engaging with local communities and undertaking early reconnaissance of the East Elang property,” said John Proust, Chairman & CEO of Southern Arc. “Unfortunately, repeated extensions to the Indonesian forestry moratorium have continued to delay the start of exploration at this property. While we are clearly disappointed with Vale’s decision, we understand the company’s need to refocus its exploration dollars elsewhere.”

The 9,670 hectare East Elang property is located immediately adjacent to Newmont’s Elang copper-gold porphyry deposit. Southern Arc will continue to look for opportunities to advance the property and bring value to Southern Arc shareholders.

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 located adjacent to Newmont’s Elang copper-gold deposit. 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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