



TSX-V: SA

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NEWS RELEASE

Southern Arc Announces Results from Special Meeting: Shareholders Approve \$5 million Investment in Japan Gold

July 17, 2017, Vancouver, British Columbia - Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) announces the results of its special meeting of shareholders (the “**Meeting**”) held on July 14, 2017, in Vancouver, British Columbia.

Eligible disinterested shareholders voted in favour of the Company’s participation in a private placement (the “**Private Placement**”) of Japan Gold Corp. (“**Japan Gold**”), a related party of the Company, pursuant to which Southern Arc will invest \$5 million and acquire 12,500,000 units of Japan Gold at a price of \$0.40 per unit. Each unit will consist of one common share of Japan Gold and one common share purchase warrant. Each warrant will entitle Southern Arc to acquire one additional common share of Japan Gold at a price of \$0.40 per share for a period of 5 years. On closing of the Private Placement, Southern Arc will own 53.08% of Japan Gold’s issued and outstanding common shares.

Of the votes cast at the Meeting, approximately 98.36% of the Company’s shareholders voted in favour of the resolution approving the Private Placement, proposed in the Company’s Information Circular dated June 12, 2017.

In accordance with the policies of the TSX Venture Exchange (“**TSXV**”) and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (MI 61-101), Southern Arc and Japan Gold obtained minority shareholder approval to the terms of the Private Placement in respective shareholder meetings held on July 14, 2017.

The closing of the Private Placement is subject to Southern Arc and Japan Gold obtaining regulatory approvals, including the approval of the TSXV. The units (and securities underlying the units) to be issued under the Private Placement will be subject to a four-month hold period from the date of closing in accordance with applicable securities legislation.

Details of the Private Placement are set out in the press release dated June 5, 2017, and the Company's Information Circular, dated June 12, 2017, filed on SEDAR.

About Southern Arc

Southern Arc is a Canadian company focused on creating value through project generation and strategic investments in mineral resource companies with a focus on gold and copper-gold. The Company currently owns a 42.57% interest in Japan Gold Corp. (TSXV: JG), which has applied for 173 prospecting rights licenses in Japan in areas with known gold occurrences and a history of mining; and a 29.9% interest in Tethyan, an AIM listed company (AIM: TETH) which is advancing a number of mineral projects in the Tethyan mineral belt in Serbia. Southern Arc also holds an investment in Osisko Mining Inc. (TSX: OSK), which is advancing a number of gold projects in Canada’s Abitibi Gold Belt, including the highgrade Windfall Lake Gold Project in Quebec, Canada; and an interest in the West Lombok project in Indonesia,

a resource-stage property with several gold-rich copper porphyry and epithermal gold vein prospects. More information is available at www.southernarcminerals.com or by email at info@southernarcminerals.com.

On behalf of the Board of Southern Arc Minerals Inc.

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Cautionary Note

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 news release contains forward-looking statements relating to the financing of Japan Gold. The closing of the financing is subject to certain risks and uncertainties, such as general economic, market and business conditions, regulatory and shareholder approval, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties regarding the Company’s ability to execute and implement future 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.