

## NEWS RELEASE

### **Southern Arc Agrees to Sell West Lombok Property**

**September 5, 2017 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA)** (“Southern Arc” or the “Company”) is pleased to announce that it has entered into a binding term sheet with PT Ancora Indonesia Resources, Tbk (“PT AIR”), an Indonesian public company listed on the Jakarta Stock Exchange, pursuant to which PT AIR will acquire all of the issued and outstanding shares of Southern Arc’s Singaporean subsidiary, Indotan Lombok Pte Ltd. Indotan Lombok Pte Ltd owns 90% of Indonesian company PT Indotan Lombok Barat Bangkit which holds an IUP on the West Lombok Property (the “Property”) located on Lombok Island in Indonesia.

The West Lombok Property covers a 13-km long by 7-km wide northwest trending structural corridor of mineralization and alteration hosting three main prospects: the Pelangan epithermal gold prospect, the Mencanggih epithermal/porphyry district, and the Selodong porphyry intrusive complex.

In consideration for the acquisition, PT AIR will pay Southern Arc US\$2 million and will grant the Company a 3% net smelter return royalty on any production from the Property. PT AIR may buy back this royalty at any time for US\$2 million.

Southern Arc will provide a loan of US\$1 million to PT AIR which will be used specifically to cover costs of drilling and geological consultants to work towards the preparation of a JORC compliant ore reserve report. The loan will be repayable within one year and will accrue interest at the LIBOR rate plus 3%. The property is also subject to an existing 2% net smelter return royalty in favour of a third party which may be purchased for US\$1 million.

The completion of the acquisition is subject to a number of conditions precedent including due diligence (to be completed in 45 days), assignment of the existing royalty agreement and finalizing the loan and royalty agreement with the Southern Arc (to be completed in 60 days).

**On behalf of the Board of Southern Arc Minerals Inc.**

*“John Proust”*

Chairman & CEO

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*Cautionary Note*

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