

NEWS RELEASE

Southern Arc Year-end Financial Results

October 31, 2017 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) has released the results of its fiscal year ended June 30, 2017. All amounts are in Canadian dollars unless otherwise stated.

Chairman and CEO, John Proust, stated, “Southern Arc is pleased to report on the progress of its revised business strategy as initiated at the end of 2012. In December 2012, Southern Arc announced its intentions to diversify its portfolio of Indonesian assets by acquiring or investing in undervalued mineral exploration opportunities in politically safe jurisdictions. Southern Arc has implemented this strategy with strategic investments in Osisko Mining Inc., Japan Gold Corp, and Tethyan Resources plc. The Company’s successful investment in Osisko Mining validates this strategy and demonstrates Southern Arc’s ability to execute. In the coming year, we look to build on this momentum with Japan Gold and Tethyan Resources by providing business and technical expertise to support their exploration success.”

Financial Highlights

Below highlights Southern Arc’s standalone assets, as at June 30, 2017 and June 30, 2016, for the purpose of providing additional information regarding the positive performance of Southern Arc. For purposes of these highlights, the Company has provided its investment in Japan Gold Corp. and Tethyan Resources plc at quoted market prices.

| | June 30, 2017 | June 30, 2016 |
|--|----------------------|----------------------|
| Cash | \$8,944,360 | \$273,186 |
| Investment in Osisko Mining Inc. | \$314,342 | \$7,534,915 |
| Investment in associate in Tethyan Resources plc | \$2,456,220 | - |
| Investment in Japan Gold Corp. | \$7,362,500 | - |
| Total | \$19,077,422 | \$7,808,101 |

As at October 27, 2017, the Company had 14,688,116 common shares issued and outstanding, 4,066,667 share purchase warrants outstanding exercisable at \$0.32 until January 26, 2021, and 889,000 share options outstanding exercisable at \$0.32 until November, 26, 2020.

Summary of Osisko Mining Inc. Investment

In August 2013, Southern Arc invested \$8,850,366 to acquire a 26% interest in Eagle Hill Exploration Corporation (“**Eagle Hill**”), which was advancing the high-grade Windfall Lake gold project in Quebec, Canada. In August 2015, Eagle Hill was acquired by Oban Mining Corp. (re-named Osisko Mining Inc. “**Osisko Mining**”) for a 258% premium over market price, resulting in Southern Arc holding both shares and warrants in Osisko Mining.

As at October 27, 2017, all of the Company's Osisko Mining warrants were exercised and all of Southern Arc's remaining investment in Osisko Mining was sold. Overall, Southern Arc's investment in Osisko Mining resulted in a net profit on the investment of \$4,808,987.

| | |
|--|--------------------|
| Proceeds from sale of share and warrants, net of commissions | \$18,582,053 |
| Original cost of investment | (\$8,850,366) |
| Cash used to exercise warrants and acquire shares | (\$4,922,700) |
| Net profit | \$4,808,987 |

Additional information regarding the Company's financial results and portfolio of projects and investments is available in the audited consolidated financial statements and Management's Discussion and Analysis, which are available for download on the Company's website at www.southernarcminerals.com and on SEDAR at www.sedar.com.

About Southern Arc

Southern Arc is a Canadian company focused on enhancing shareholder value through strategic investments in mineral resource companies with a focus on gold and copper-gold. Southern Arc's management team identifies highly prospective assets in politically safe jurisdictions and seeks to unlock their value by providing strategic investments and increased access to industry relationships, global knowledge and proven technical skills. 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.

"John Proust"

Chairman & CEO

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