

NEWS RELEASE

Southern Arc Sells East Elang Property, Retains 3% NSR

May 12, 2016 – Vancouver, British Columbia – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”) today announced that the Company has entered into a Sale and Purchase Agreement to sell its share of the East Elang Property to an Indonesian individual. Southern Arc has agreed to sell and transfer its shares in East Elang in exchange for US\$20,000 and a 3% net smelter returns royalty (“NSR”) on all future sales or other disposition of all minerals production from the property.

“Southern Arc has been unable to advance the East Elang Property as the result of repeated extensions to an Indonesian forestry moratorium,” said John Proust, Chairman and Chief Executive Officer of Southern Arc. “We have sold the East Elang Property to an Indonesian individual with the intention and capacity to advance the project once the moratorium is lifted. Southern Arc’s 3% NSR will allow the Company and its shareholders to benefit should East Elang advance to production.”

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 owns an interest in the West Lombok project in Indonesia, a resource-stage property with several gold-rich copper porphyry and epithermal gold vein prospects. 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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Forward-looking Statements

This news release contains forward-looking statements relating to expected or anticipated future events and operations, timing of projects and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as Southern Arc’s ability to complete the proposed sale of the East Elang property, uncertainty whether Southern Arc will ever generate value from its East Elang NSR, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the company’s capability to execute and implement future plans. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. There is no representation by the company that actual results achieved during the forecast period will be the same in whole or in part as that forecast.