

**NEWS RELEASE**

**Southern Arc Makes Strategic Investment in Tethyan Resources PLC**

**November 21, 2016 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”)** is pleased to announce that it is making a strategic investment in Tethyan Resources PLC (AIM:TETH) (“**Tethyan**”). Tethyan is an AIM quoted junior exploration company exploring for copper and gold within the Western Tethyan Orogenic Belt in the European Balkan Region. Tethyan has an experienced board of directors and a technical team having extensive experience in that region.

Southern Arc has subscribed for 16.5 million new ordinary shares in Tethyan Resources PLC at a price of C\$0.036 per share. In addition to the subscription for new ordinary shares, Southern Arc has agreed to purchase 14,653,967 existing ordinary shares in Tethyan from Newmont Ventures Limited for C\$0.036 per share as part of the Company’s strategy to become a strategic investor in Tethyan. On closing of these transactions, Southern Arc will own 29.15% of Tethyan’s issued and outstanding ordinary shares.

In connection with Southern Arc’s subscription, Tethyan passed a board resolution to appoint John Proust and Dr. Mike Andrews to the board of directors of Tethyan subject to the approval of Tethyan’s nominated adviser. In addition, Southern Arc has negotiated the following additional rights with respect to Tethyan:

- a first right of refusal on any further fundraisings undertaken by Tethyan for a period of two years to enable the Company to increase its holding to, and maintain its interest at 29.9% of Tethyan’s issued share capital; and
- Tethyan’s agreement to use its commercially reasonable efforts to seek a listing on the TSX Venture Exchange as soon as reasonably practicable.

Currently Tethyan holds exploration licences over two project areas in Serbia, the Suva Ruda and Gokcanica projects. Both these projects are situated in Vardar Metallogenic Zone within the Tethyan Orogenic Belt. The Vardar Zone is a NW-SE trending terrane of intermediate volcanics and ophiolitic rocks containing historically mined deposits of lead-zinc-silver, copper and gold. The potential for porphyry copper and epithermal gold mineralization has been recognised over the past decade however little exploration for these styles of mineralization has been undertaken in the district.

Suva Ruda Project

Tethyan entered into an option agreement over the Suva Ruda project in September 2016, currently owned by a Serbian private company Deep Reseach d.o.o., giving Tethyan the option to purchase 100% of the project at any time during an 8 year period for a €6 million cash payment provided that Tethyan achieves certain exploration and payment milestones.

The Suva Ruda exploration license covers Jurassic serpentinite and Cretaceous andesitic volcanics intruded by Tertiary dacite stocks. There are two well-defined target types within the Suva Ruda exploration license:

- high-grade lead and zinc veins such as those mined historically and those occurring on the periphery of the Rudnitsa porphyry; and
- a mineralized porphyry dacite stock with significant copper and gold mineralization, named the 'Rudnitsa' porphyry.

Phelps Dodge Corporation identified the Rudnitsa porphyry in 2004 and drilled 7 widely spaced drill holes over an area of 1.2 kilometers by 0.8 kilometers. The holes were centred on a porphyritic dacite stock with outcropping quartz stockwork occurring over an area 500 meters by 450 meters surrounded by a wider zone of phyllic and advanced argillic alteration associated with massive silica and alunite. Three of the drill holes were drilled into the quartz stockwork and the underlying core of potassic alteration, the other 4 holes were drilled on the periphery of the stock into phyllic alteration. The holes were drilled to depths between 170 and 300 meters and did not test the porphyry at depth.

Tethyan recently reported in its November 1, 2016 news release that it had commenced drilling at the Rudnitsa porphyry prospect. Tethyan's plan is to "drill approximately 2,500 meters of diamond core in 4 to 5 drill holes. Drilling will target up to 800m depth below and adjacent to where relatively shallow historic drilling intersected and ended in mineralization, and where a significant copper-molybdenum-gold anomaly has been identified by recent soil sampling. Significant results from the historic drilling includes an intersection of 144m grading at 0.4% copper and 0.4 g/t gold which ended in mineralization. The purpose of this drill program is to both confirm the historic drilling results and to test for extensions to the mineralization at depth. Management (of Tethyan) believes that the exposed surface of the porphyry system indicates that the current erosion level is high in the porphyry system and that the mineralization is likely to extend to significant depth and that the concentration of mineralization may increase with depth."

#### Gokcanica Project

Tethyan has executed an option agreement with Rockstone Group LLC pursuant to which Tethyan can earn up to an 80% interest in two adjoining permits with a combined area of 110km<sup>2</sup> located in southern Serbia. These, the Gokcanica Licences, are located 5 km to the north of the town Josaniska Banja within the 500 km<sup>2</sup> Rashka mineralization district. A Jurassic ophiolite sequence intruded by intermediate stocks and overlain by Tertiary andesitic volcanics occurs in the area.

Mining in the Gokcanica area dates back beyond contemporary records as evidenced by many historic workings in the area. Exploration from the 1970s focused on lead-zinc-silver veins. From 2006 to 2008 Euromax Resources Ltd completed a detailed mapping and soil geochemistry program over a 6 km long zone of phyllic and argillic altered andesite volcanics and intrusives with abundant ancient mine workings. Drilling at the northern end of this trend by Euromax intersected multiple gossan and massive sulphide intervals. This program also defined a 3 km by 2 km magmatic complex at the southern end of the trend which remains to be drill tested.

In 2014 and 2015 First Quantum Minerals Ltd followed-up a large zone of phyllic to argillic alteration, 6 km by 3 km wide, indicating the potential for porphyry copper gold mineralization. They identified a coincident Cu-Mo soil anomaly within this alteration system. However after drilling 6 holes they did not locate the source of this Cu-Mo anomalism and stopped exploration.

Recent prospecting work has located a number of arsenopyrite and pyrite rich veins which outcrop over a 200 meter strike length and up to 20 meters wide. Detailed channel sampling has not yet been completed on this zone and it has not yet been drilled.

Tethyan regards the Rashka mineralization district as relatively underexplored and plans to focus exploration on these zones to evaluate potential for both large scale porphyry copper-gold as well as high grade epithermal and mesothermal gold mineralization.

Tethyan is also actively identifying other copper and gold projects in South Eastern Europe, focussing in Serbia and Bulgaria.

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

*“John Proust”*

Chairman & CEO

**About Southern Arc**

Southern Arc Minerals Inc. is a Canadian mineral exploration company focused on gold and copper-gold exploration. The Company holds 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 holds a 42.9% interest in Japan Gold Corp., which has applied for 80 prospecting rights licenses in Japan in an area with known gold occurrences and a history of mining. 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 high-grade Windfall Lake Gold Project in Quebec, Canada. More information is available at [www.southernarcminerals.com](http://www.southernarcminerals.com) or by email at [info@southernarcminerals.com](mailto:info@southernarcminerals.com).

The technical information in this news release has been reviewed by Southern Arc’s President & Chief Operating Officer, Dr. Mike Andrews, PhD, FAusIMM, who has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.

**Southern Arc Contact**

John Proust  
Chairman & CEO  
Phone: 604-609-6147  
Email: [info@southernarcminerals.com](mailto:info@southernarcminerals.com)

***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 certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively “forward-looking statements”). The use of any of the word “will”, “intends”, “plans” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such forward-looking statements should not be unduly relied upon. This news release contains forward-looking statements and assumptions pertaining to the following: the Company’s proposed ownership percentage in Tethyan; Tethyan’s further fundraising efforts and announcements thereof; the timing for a general meeting of Tethyan shareholders; the Company’s intention to participate in Tethyan’s further offering; Tethyan’s business and exploration 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. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct.*