

**NEWS RELEASE**
**Southern Arc Provides Further Update on Strategic Investment in Tethyan Resources PLC**

**January 30, 2017 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA) (“Southern Arc” or the “Company”)** is pleased to provide an update on its strategic investment in Tethyan Resources PLC (“Tethyan”). Tethyan has announced the results of the remaining 3 drill holes (RD 002 – RD 004) following the completion of its 4 diamond drill hole programme (total 2,318 metres) at the Rudnitsa copper-gold porphyry prospect within the Suva Ruda exploration permit in Serbia, including the following highlight intersections:

- Drillhole RDD-004 356 m @ 0.38% copper and 0.31 g/t gold from 48 m (including 30 m @ 1.45% Cu and 0.39 g/t Au from 102 m)
- Drillhole RDD-003 285 m @ 0.31% copper and 0.33 g/t gold from 42 m (including 16.7 m @ 1.55 % Cu and 0.20 g/t Au from 102 m):

Drillhole ID	Easting	Northing	Elevation (m)	Dip	Azimuth	Total Depth (m)	From (m)	To (m)	Length (m)	Copper Grade (%)	Gold Grade (g/t)
RDD-001	473,927	4,787,653	604	-85	136	584.6	0	567	567	0.28	0.45
							122	158	36	1.22	0.38
RDD-002	474,022	4,787,637	622	-76	165	461.8	6	74	68	0.11	0.23
							98	320	222	0.24	0.27
							354	440	86	0.16	0.30
RDD-003	473,873	4,787,734	581			710	42	327	285	0.31	0.33
							102	118.7	16.7	1.55	0.20
							657	695	38	0.14	0.27
RDD-004	474,005	4,787,752	592			558.6	48	404	356	0.38	0.31
							102	132	30	1.45	0.39
							476	502	26	0.12	0.19

These three additional drill holes have significantly expanded the footprint of copper-gold porphyry-style mineralisation at Tethyan's Rudnitsa prospect, which had previously been identified in RDD-001. This drill hole intersected 567 metres at 0.28 % copper and 0.45 g/t gold, as previously announced by Tethyan on January 16, 2017.

The latest drilling has expanded the size of mineralisation identified to an area of at least 300 metres by 200 metres horizontally and up to 500 metres vertically. This drilled zone of mineralisation is contained in a much larger intensively altered volcanic sequence with anomalous copper, gold and molybdenum in soils which extends for up to 1500 metres in a north-south direction and 500 metres east-west.

All drill holes intersected a thick package of dacitic volcanic rocks showing strong phyllic and propylitic alteration with extensive zones of thin (2-20mm) quartz-pyrite±chalcopyrite±chalcocite veining and stockwork.

Supergene enrichment has produced a higher-grade chalcocite rich copper zone observed in three of the drill holes that is in excess of 1 % copper. Drill Hole RDD-004 intersected 30 metres at 1.45 % copper, 0.39 g/t gold from 102 metres. Copper grades are generally seen to be lower in the leached zone above this supergene zone however gold mineralisation was encountered from surface. Beneath the supergene zone gold and copper grades are generally consistent over large intervals exceeding 200 metres.

Tethyan holds an option to purchase 100% of the Suva Ruda permit from local Serbian company Deep Research d.o.o. who acquired the permit in late 2015, as announced on 27 September 2016.

Tethyan has completed a ground magnetics survey and is planning an extensive induced polarization (IP) geophysical survey over this area to target further drilling. A second program of drilling is planned for the second half of 2017 following processing and interpretation of the geophysical surveys.

Southern Arc owns 43,653,966 ordinary shares of Tethyan which it purchased at a price of C\$0.036 per share (29.9% of Tethyan's issued and outstanding ordinary shares). Southern Arc has a first right of refusal on any further fundraisings undertaken by Tethyan for a period of two years to enable the Company to maintain its interest at 29.9% of Tethyan's issued share capital. John Proust and Dr. Mike Andrews are members of the Tethyan's board of directors.

### **About Tethyan**

Tethyan is an AIM quoted junior exploration company (AIM: TETH) exploring for copper and gold within the Tethyan mineral belt. Tethyan has an experienced board of directors and technical team. Currently Tethyan holds rights with respect to licences in Serbia and is looking for other copper and gold projects in Eastern Europe. Tethyan entered into an option agreement over the Suva Ruda project in September 2016, currently owned by a Serbian private company Deep Research d.o.o. According to the option agreement, Tethyan holds the option to purchase 100% of the project at any time during an 8 year period for a EURO 6 million cash payment provided that Tethyan achieves certain exploration and payment milestones.

### **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 owns a 29.9% interest in Tethyan, an AIM listed company (AIM: TETH) which is advancing a number of copper gold projects in the Tethyan mineral belt in Serbia, a 42.9% interest in Japan Gold Corp. (TSXV: JG), which has applied for 115 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 document has been approved 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. Dr. Andrews has reviewed Tethyan's drill program and sampling protocol, and is of the opinion that the QA/QC data and sampling programs are acceptable.

The drill program and sampling protocol is managed by Tethyan under the supervision of Fabian Baker, BSc (Hons) Geology, Tethyan's Chief Operating Officer. Mr. Baker has 8 years of international mineral exploration experience in frontier and developing countries. During this time he has held such positions as

Chief Geologist at Lydian International and Exploration Manager for Royal Road Minerals. The core recovery rate averaged better than 97.5%. Half core is cut by rock saw and is generally sampled using nominal 2 metre intervals; however, sample intervals are varied according to geological contacts and have ranged between 1.2 to 2.6 metres in length. Four quality control samples (one standard, one blank and two duplicates) are inserted into each batch of 40 samples. The half core samples are securely transported from the project site to the ALS Global sample preparation laboratory in Bor, Serbia via private truck provided by ALS Global to Tethyan. Sample pulps are then sent to ALS Rosia Montana, Romania by air freight for gold. Gold is analysed by fire assay with AAS finish and sent to ALS Loughrea, Ireland by freight for analysis by a four-acid digestion with ICP-AES finish to analyse a full suite of 33 elements including silver and base metals. ALS's laboratory is ISO 2005 accredited and employs a Laboratory Information Management System for sample tracking, quality control and reporting.

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

*“John Proust”*

Chairman & CEO

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*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 “planning” or “planned” 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 future work on the property. The Company believes the expectations reflected in this forward-looking statement is reasonable, but no assurance can be given that Tethyan’s expectations will prove to be correct.*