



# Southern Arc

MINERALS INC.

## Corporate Update

November 10, 2019

[SouthernArcMinerals.com](http://SouthernArcMinerals.com)

TSXV: SA

## **Forward-looking Statements**

Some of the statements contained in this presentation are forward-looking statements, such as estimates and statements that describe future plans, objectives or goals, including words to the effect that Southern Arc Minerals Inc. implies a stated condition or that it forecasts certain results could occur. Because forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, resources, results of exploration, reclamation and other post-closure costs, capital costs and mine production costs could differ materially from those currently forecast in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, changes in demand and prices for the minerals, litigation, legislative, environmental and other judicial, regulatory, technological and operational difficulties encountered in connection with mining activities, labour relations matters, costs and changing foreign exchange rates. This list is not exhaustive of the factors that may affect any of forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Southern Arc Minerals Inc. statements.

## **Resource Estimates**

This document uses the term “resources”, “indicated resources” and “inferred resources”. United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the “SEC”) does not recognize them. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of “contained ounces” is permitted disclosure under Canadian regulations, however, the SEC normally only permits issuers to report “resources” as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this release may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC. National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. All resource estimates contained in this circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

## Enhancing Shareholder Value Through Strategic Investments in Mineral Resource Companies.

Southern Arc, a Canadian company incorporated in British Columbia in 2004, invests in highly prospective, under-valued assets in politically safe jurisdictions and seeks to unlock value by providing strategic capital, technical expertise and proven management skills.

Southern Arc provides shareholders with exposure to a basket of mineral resource companies that have been identified by management as having high growth potential.



# Southern Arc's Strategy

## A diverse portfolio of investments

**In December 2012, Southern Arc announced a revised business strategy, initiated to reduce the Company's capital and political risks by divesting its portfolio of Indonesian assets and investing in undervalued mineral exploration opportunities in politically safe jurisdictions.**

### **Southern Arc's current investments:**

#### **Japan Gold Corp. (TSXV: JG / OTCQB: JGLDF) – Investment**

- Southern Arc holds a 25.87% interest and is the largest shareholder in Japan Gold, the first foreign mineral exploration company to focus solely on Japan
- Japan Gold is targeting high-grade epithermal gold and potentially porphyry copper-gold mineralization

#### **Tethyan Resources plc (TSXV: TETH) – Investment**

- Southern Arc holds a 13.81% interest in Tethyan Resources, a junior exploration company exploring for gold, copper and other base metals within the Tethyan mineral Belt in Eastern Europe
- The Augusta Group is a strategic investor in Tethyan and manages the company
- Under an option agreement with Augusta, SA has optioned 5,000,000 shares at \$0.25 valid until July 2020

#### **PT Ancora Indonesia Resources Tbk (OKAS:IJ) – Investment**

- Southern Arc holds a 5.66% interest in PT Ancora, an Indonesian public company listed on the Jakarta Stock Exchange, who purchased the Company's West Lombok Project in 2017

#### **Rise Gold Corp. (CSE: RISE / OTC: RYES) – Investment**

- Southern Arc holds a 17.23% interest in Rise Gold, an exploration-stage company. The Company's principle asset is the historic past producing Idaho-Maryland Gold Mine located in Nevada County, California, USA.
- Yamana Gold is a strategic investor in Rise Gold

# Southern Arc's Strategy

## Net Smelter Royalty Agreements

**Consistent with Southern Arc's revised business strategy, the Company divested previously held Indonesian assets and entered into Net Smelter Royalty ("NSR") agreements with the buyers, allowing Southern Arc's shareholders to maintain exposure to the upside potential of the properties.**

### **West Lombok Island Property**

- Sold to PT Ancora Indonesia Resources Tbk, an Indonesian public company listed on the Jakarta Stock Exchange, in exchange for:
  - US\$2 million cash
  - 3% NSR with a US\$2 million buyout
- Southern Arc used the cash proceeds from the sale to acquire 100 million shares of PT Ancora (5.66% of PT Ancora's issued and outstanding shares) from third parties in a private transaction.

### **Taliwang – Sumbawa Island Property**

- Sold to private Indonesian group for US\$2,250,000

### **East Elang – Sumbawa Island Property**

- Potential "area play" property adjacent to Newmont's Elang Cu-Au deposit
  - 3% NSR on minerals production

# Investment in Japan Gold Corp. (TSXV: JG / OTCQB: JGLDF)

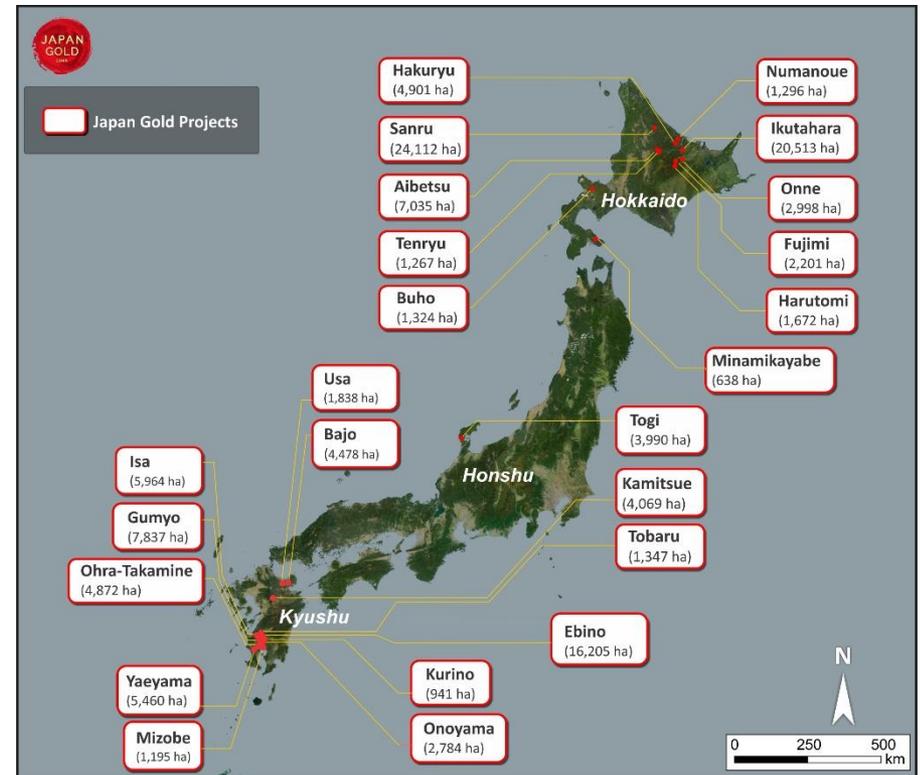


# Japan Gold Corp.

(TSXV: JG / OTCQB: JGLDF)

## Japan Gold is the First Foreign Mineral Exploration Company to Focus Solely on Gold Opportunities in Japan

- Southern Arc controls a 25.87%<sup>1</sup> interest in Japan Gold
- **Japan Gold Corp.** has acquired 24 gold projects throughout Japan with a total land package of over 125,000 hectares.
- The 24 gold projects are focused on targeting high-grade epithermal vein mineralisation within historic mining districts.
- Two drill programs are currently underway in Kyushu and Hokkaido.
- The main Japan islands of Hokkaido, Honshu and Kyushu have at least 6 distinct epithermal gold provinces hosting greater than 70 historically producing gold mines, including five +1 million ounce deposits.
- Still in production today, the Hishikari mine on the island of Kyushu is one of the world's highest-grade gold mines, and has produced in excess of 7.6 million ounces of gold between 1985-2018 at average gold grades of 30-40 g/t<sup>2</sup>
- Japan Gold's prospecting rights and applications cover at least 42 historically producing mines and workings.



<sup>1</sup> 25.87% represents the Southern Arc ownership of the issued and outstanding share of Japan Gold

<sup>2</sup> Based on Sumitomo Metal Mining Co., Ltd. website.

# Japan Gold Corp.

(TSXV: JG / OTCQB: JGLDF)

**Japan Gold is the First Foreign Mineral Exploration Company to  
Focus Solely on Gold Opportunities in Japan**

For more information on Japan Gold Corp. visit:

- Website: [www.japangold.com](http://www.japangold.com)
- Email: [info@japangold.com](mailto:info@japangold.com)
- Twitter: [@japangoldcorp](https://twitter.com/japangoldcorp)



# Investment in Tethyan Resources plc (TSXV:TETH)



## Tethyan Resources plc

- Southern Arc holds a 13.81% interest in Tethyan Resources, a junior exploration company listed on the TSXV
- Tethyan Resources plc is lead by Richard Warke and the Augusta Group
- Tethyan is focussed on building shareholder value by acquiring a portfolio of early stage gold and base metals projects in the Balkans in Europe, with a focus on proven mineralisation and compelling drill targets
- Tethyan team has a proven track record of successful project acquisition and discovery combined with experience in the region
- Tethyan is focused on the Tethyan Metallogenic Belt in Eastern Europe, mainly Serbia, where it is acquiring and exploring a portfolio of quality precious and base metals projects with known mineralisation and compelling drill targets.
- Tethyan emphasises responsible engagement with local communities and stakeholders, and is committed to the proactive implementation of Good International Industry Practice (GIIP) and sustainable health, safety and environmental management

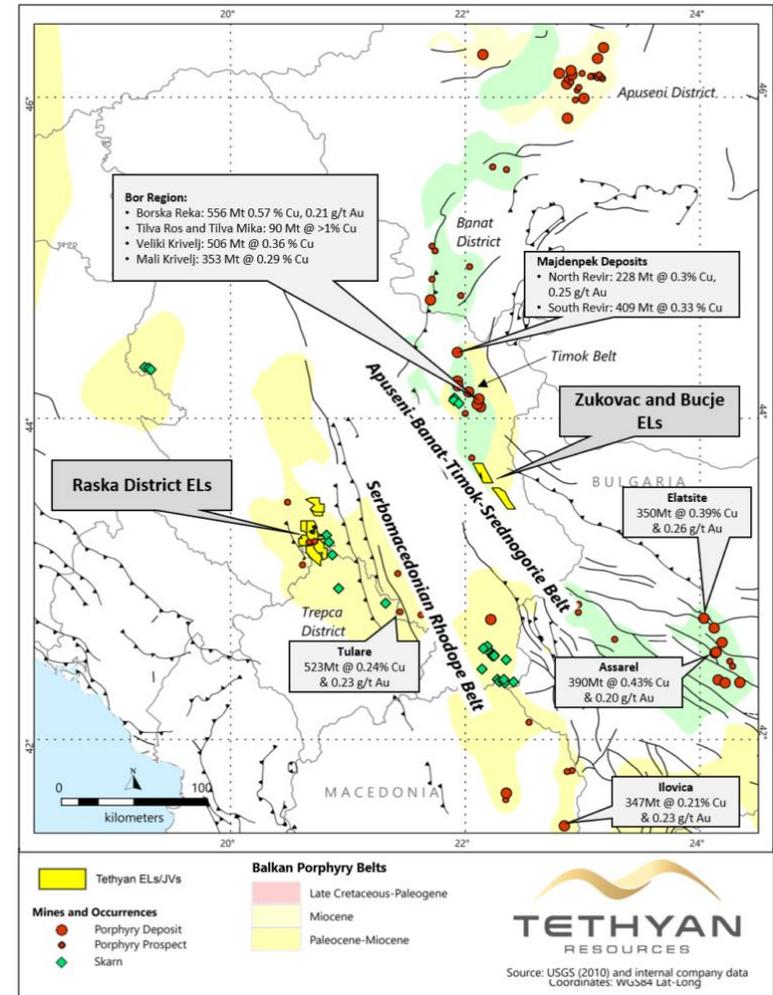
### Why the Balkans:

- A rare combination: stable government, pro-mining, low tax, good geology, underexplored
- Favourable business jurisdiction as an EU candidate with political stability
- Excellent infrastructure, in-country expertise, low - cost operating environment
- Strong mining and tax laws (15% corporate tax, 5% net smelter royalty, 100% foreign ownership and repatriation of profits)
- Tethyan belt extends over 10,000km from Asia to the Balkans and is comparable to the Andes, western United States and Canada, yet significantly less explored

## TETHYAN'S EXPLORATION INTERESTS

Tethyan's exploration interests currently comprise two areas:

- The Raska District and Gokcanica-Kovaci ELs in Serbia and Kosovo total 463 km<sup>2</sup> and are situated in the central part of the Serbomacedonian Rhodope Belt, a Miocene magmatic arc which is host to the Tulare (Dundee Precious Metals, Serbia), Bucim and Ilovica copper-gold porphyry deposits and the Lece, Kizevak, Belo Brdo and Stri Trg polymetallic vein and carbonate replacement deposits (the Trepca District).
- The Zukovac and Bucje ELs are located in eastern Serbia, to the south along strike from the prolific Timok Belt. Limited work has been completed on these ELs to date and Tethyan will conduct reconnaissance work in the course of the 2018 field season.
- In addition, Tethyan is continually evaluating exploration and development opportunities throughout the TMB and conducting generative exploration activities.



# Tethyan Resources plc

(TSXV:TETH)

For more information on Tethyan Resources plc visit:

- Website: [www.tethyan-resources.com](http://www.tethyan-resources.com)
- Email: [info@tethyan-resources.com](mailto:info@tethyan-resources.com)



# Investment in Rise Gold Corp. (CSE: RISE / OTC: RYES)



## Rise Gold Corp.

- Southern Arc holds a 17.23% interest in Rise Gold Corp., a junior exploration company listed on the TSXV
- The Company's principal asset is the historic past producing Idaho-Maryland gold mine located in Nevada County, California, USA
- The Idaho-Maryland gold mine is one of the United States' greatest past producing gold mines with total past production of 2,414,000 ounces of gold from 1866-1955
- It was producing up to 129,000 oz gold per year before being forced to shut down by the U.S. government in 1942

### **PRIVATELY OWNED LAND AND MINERAL RIGHTS**

- Very strong property rights for reduced Political Risk and Permitting Risk

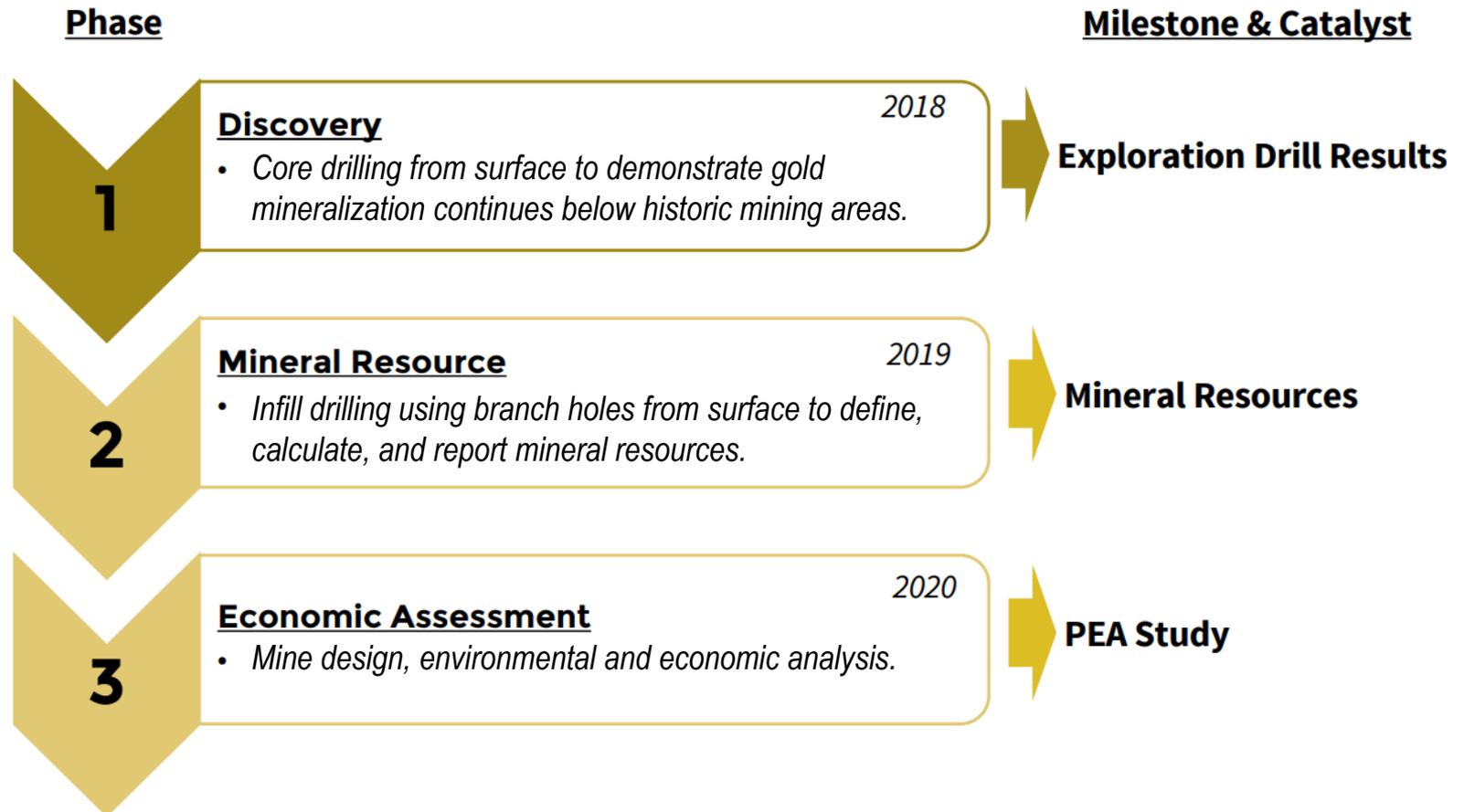
### **MAJOR HIGH GRADE PAST PRODUCING GOLD MINE**

- I-M Mine was one of the most prolific historic gold producers in the entire United States
- Exceptionally high grade with average historic mill head grade of 17 gpt gold
- Virtually unexplored below historic mine workings

### **DRILL PROGRAM TARGETING DISCOVERY**

- Drilling directly below historic mined high grade gold areas
- Numerous historic drill holes, mapping, and historic resources in target area
- Significant exploration targets at I-M Mine below mine workings

## Business Strategy



# Rise Gold Corp.

(CSE: RISE / OTC: RYES)

For more information on Rise Gold Corp. visit:

- Website: [www.risegoldcorp.com](http://www.risegoldcorp.com)
- Email: [info@risegoldcorp.com](mailto:info@risegoldcorp.com)



# Past Investment in Osisko Mining Inc. (TSXV: OSK)



# Southern Arc's Strategy

## Proof of concept – past investment

### Osisko Mining Inc. (TSXV: OSK) – Past Investment

- In August 2013, Southern Arc invested \$8,850,366 to acquire a 26% interest in Eagle Hill Exploration Corporation 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. 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.
- The Company's successful investment in Osisko Mining validates Southern Arc's strategy and demonstrates the Company's ability to execute.

# Indonesia Net Smelter Royalty Agreements

## Royalty Agreement

- Sold to PT Ancora Indonesia Resources Tbk, an Indonesian public company listed on the Jakarta Stock Exchange, in exchange for:
  - US\$2 million cash
  - 3% NSR with a US\$2 million buyout
- Southern Arc has used the cash proceeds from the sale to acquire 100 million shares of PT Ancora (5.66% of PT Ancora's issued and outstanding) from third parties in a private transaction.
- The 5.66% interest in PT Ancora and the 3% NSR allow Southern Arc and its shareholders to maintain their exposure to the Property's upside potential

### West Lombok Property Inferred Mineral Resource Estimate Effective Date June 29, 2013

Prospect	Tonnage (tonnes)	Grade			Contained Metal		
		Gold (g/t)	Silver (g/t)	Copper (%)	Gold (oz)	Silver (oz)	Copper (lb)
<b>Epithermal Style</b>							
Raja	3,898,000	2.63	14.0	-	329,700	1,821,000	-
Bising	6,908,000	0.88	ns	-	195,550	ns	-
Tibu Serai	977,000	1.36	ns	-	42,570	ns	-
<b>Total</b>	<b>11,783,000</b>	<b>1.50</b>	<b>14.0</b>	<b>-</b>	<b>567,820</b>	<b>1,821,000</b>	<b>-</b>
<b>Porphyry Style</b>							
Selodong	66,750,000	0.43	ns	0.27	922,800	ns	397,324,000

#### Notes:

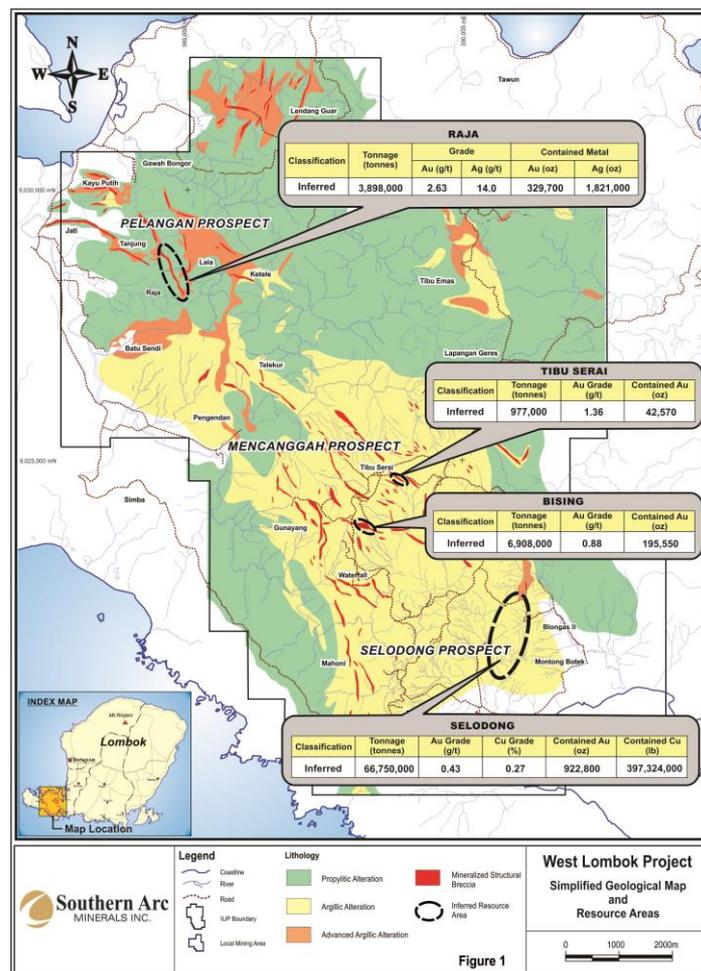
ns not significant

1. Resources for the Raja epithermal deposit are reported at a 0.5 g/t gold equivalent cut-off using the long-term consensus price forecasts for gold and silver of US\$1500 and US\$25 per ounce, respectively, and assumed 100% metal recoveries for both metals. Bising and Tibu Serai epithermal deposits are reported at a cut-off grade of 0.5 g/t gold. All resources were constrained inside a Whittle open pit shell. Gold grades were capped at 30 g/t for Raja, 5 g/t for Bising and 5 g/t for Tibu Serai.

2. The resource for the Selodong porphyry copper-gold deposit is reported for a 0.25% copper equivalent cut-off grade inside a Whittle open pit shell. Copper equivalent is calculated using the long-term consensus metal forecast prices for gold and copper of US\$1500 per ounce and US\$3.56 per pound, respectively, and assumed 100% metal recoveries for both metals. Gold was capped at 4 g/t for Selodong. No capping was applied to copper.

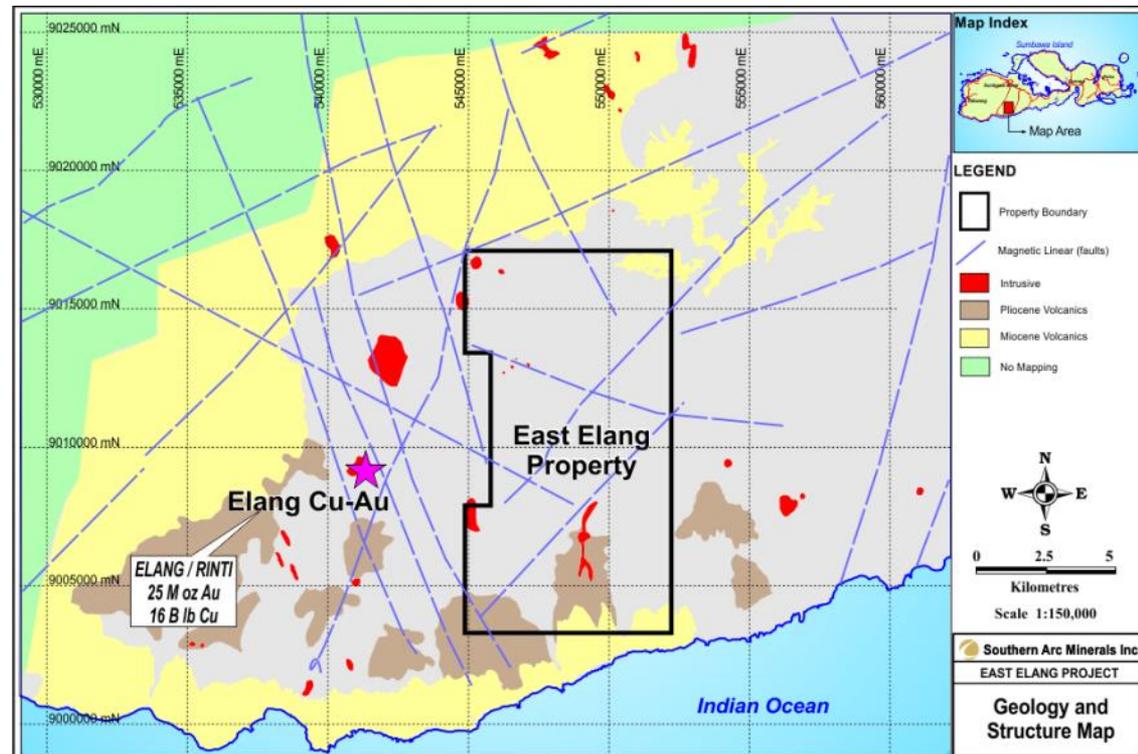
3. All numbers have been rounded to reflect the relative accuracy of the estimates.

4. The mineral resources have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability.



## Royalty Agreement

- In May 2016 Southern Arc sold the East Elang property to an Indonesian businessman with the intention and capacity to advance the project, once the forestry moratorium is lifted
- Southern Arc retained a 3% NSR on all future mineral production
- Adjacent to Newmont's Elang deposit (25 M oz Au/16 B lb Cu) <sup>1</sup>
- Structure and alteration suggests that the Elang mineralized trend may continue onto Southern Arc's East Elang property
- A forestry moratorium (currently May 2011 to May 2019) has delayed Pinjam Pakai permit and start of exploration <sup>2</sup>



1. Newmont press release February 24, 2011 references independent JORC estimate from June 2010 for Elang deposit. Proximity to the Batu Hijau mine and Elang deposit does not guarantee that East Elang will have similar mineralization on its property.

2. Timing of when the moratorium will be terminated is at the discretion of the Indonesian Government.

**John Proust, C.Dir.**

*Chairman & CEO*

Has successfully founded and managed a number of resource companies. Has served on the boards and held senior operating positions with numerous resource companies, and has directed and advised public and private companies since 1986.

**Dr. Mike Andrews, PhD, FAusIMM**

*President & Chief Operating Officer*

A geologist with over 40 years of experience in exploration. A Founding Director of Kingsrose Mining and instrumental in the discovery and development of its Way Linggo gold mine, also closely involved in the development of a number of other gold mines in Southeast Asia. Held executive exploration positions with a number of mineral exploration and mining companies.

**Vincent Boon, CPA, CA**

*Chief Financial Officer*

A Chartered Accountant with more than ten years of experience (both private and public companies) in the resource sector as both a Controller and CFO.

**Eileen Au, B.Sc**

*Corporate Secretary*

Ms. Au currently serves as Corporate Secretary to various public and private companies since 2005, primarily in the mining and resources sector. She is currently the Corporate Secretary of Southern Arc Minerals Inc. and Canada Energy Partners Inc., all TSXV listed companies. Ms. Au holds a Bachelor of Science degree from Acadia University.

# Board of Directors and Advisors

<b>John Proust, C.Dir.</b> Chairman	Has successfully founded and managed a number of resource companies. Has served on the boards and held senior operating positions with numerous resource companies, and has directed and advised public and private companies since 1986.
<b>Dr. Michael Andrews, PhD,</b> FAusIMM Director	A geologist with more than 40 years of experience in gold, copper and iron exploration. Was a founding director of Kingsrose Mining and played an instrumental role in the discovery, exploration and development of its Way Linggo Gold Mine. Integral to the development of a number of other gold mines in Southeast Asia.
<b>Robert Gallagher, BApSc</b> Director	More than 35 years of mining industry experience, including as President and CEO of New Gold Inc., an intermediate gold producer, and Vice President Operations of Newmont Asia Pacific, overseeing development of Newmont's Batu Hijau mine.
<b>John Carlile, BSc, MSc, FAusIMM</b> Director	A geologist with more than 35 years of experience with both major and junior resource companies, including as Exploration Manager, Asia of Newcrest Mining and President of the Indonesian and Philippines subsidiaries of Newcrest Mining.
<b>Morris Klid, BA</b> Director <small>SEP</small>	An entrepreneur for over 30 years, providing innovative services primarily in the corporate due diligence, legal, financial, and search and registration markets. Mr. Klid established the Cyberbahn Group of Companies, which was acquired by Thomson Reuters in 2008. Since that time he has focused on investing in both established companies and start-ups.
<b>Khalid Al-Obaidli, BSc, MBA</b> Director	CEO of Qatar Mining Company. Before joining Qatar Mining in 2011 as Chief Investment Officer, Mr. Al-Obaidli held a number of positions with Dolphin Energy Qatar, including Business Support Manager and Health, Safety and Environment Manager. Mr. Al-Obaidli's educational background includes project management, leadership and crisis management.
<b>Steve Garwin, BSc, MSc, PhD,</b> <b>MAusIMM, FSEG</b> Technical Advisor	Over 29 years of experience as an exploration geologist, including as Newmont's Chief Geologist, and one of the leading authorities on porphyry, epithermal and Carlin-style mineralization in the circum-Pacific region. Has been involved with several exploration and mining projects in Indonesia; Nevada; Alaska; and southeastern Ecuador.

# Southern Arc Share Structure

As of April 11, 2019:

Shares	Options	Warrants	Fully Diluted
14,519,616	1,436,000	4,066,667	20,022,283

52-week trading range \$0.26 – \$0.60

# Contact Us

## **Corporate Head Office**

**John Proust**

Chairman and CEO

650-669 Howe St  
Vancouver, British Columbia  
Canada, V6C 0B4

Tel: 778-725-1490  
info@southernarcminerals.com  
Twitter: @SouthernArc

**SouthernArcMinerals.com**

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