

**NEWS RELEASE**

**Southern Arc Acquires Common Shares of Japan Gold Corp.**

**August 9, 2017 – Vancouver, BC – Southern Arc Minerals Inc. (TSX-V: SA)** (“**Southern Arc**” or the “**Company**”) announces that it acquired 12,500,000 common shares of Japan Gold Corp. (TSXV: JG) (“**Japan Gold**”) on August 8, 2017 pursuant to a private placement, representing approximately 18.30% of the issued and outstanding common shares of Japan Gold. Southern Arc also acquired 12,500,000 warrants of Japan Gold, if exercised, would represent approximately 15.47% of the issued and outstanding common shares of Japan Gold, assuming no further common shares of Japan Gold have been issued.

Immediately prior to the foregoing transaction, Southern Arc owned and/or had control over 23,750,000 common shares of Japan Gold representing approximately 42.57% of the issued and outstanding common shares of Japan Gold. As a result of the foregoing transaction, Southern Arc owns and/or has control over 36,250,000 common shares of Japan Gold, representing approximately 53.08% of the total issued and outstanding common shares of Japan Gold. This represents an approximate 10.51% change in Southern Arc’s ownership of common shares of Japan Gold. As a result of the foregoing transaction, Southern Arc owns and/or has control over 12,500,000 warrants of the Issuer. If Southern Arc were to exercise all of its warrants, it would then own and/or have control over 48,750,000 common shares of Japan Gold representing approximately 60.34% of the issued and outstanding common shares of Japan Gold assuming that no further common shares of Japan Gold have been issued.

Southern Arc acquired the securities for investment purposes, and has no present intention to dispose of or acquire further securities of Japan Gold. Southern Arc may, in the future participate in financings and/or acquire or dispose of securities of Japan Gold in the market, privately or otherwise, as circumstances or market conditions warrant.

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

*“John Proust”*

Chairman & CEO

**Southern Arc Contact**

John Proust  
Chairman & CEO  
Phone: 778-725-1490  
Email: [info@southernarcminerals.com](mailto:info@southernarcminerals.com)

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