

NEWS RELEASE

Southern Arc Files Early Warning Report for Japan Gold Corp. Shares

Vancouver, British Columbia, October 26, 2020 – Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSXV:SA) announces that it has distributed 40,021,490 common shares of Japan Gold Corp. (“Japan Gold Shares”) pursuant to the return of capital transaction with the shareholders of Southern Arc by way of a court approved plan of arrangement. Prior to the transaction, Southern Arc beneficially owned or had control or direction over a total of 40,250,000 Japan Gold Shares, representing 23.02% of the total issued and outstanding Japan Gold Shares on an undiluted basis.

As a result of the distribution, Southern Arc’s beneficial ownership of, or control or direction over, the Japan Gold Shares decreased from 23.02% to 0.13% on an undiluted basis, and decreased from 30.24% to 9.44% on a partially-diluted basis, assuming the exercise of the Warrants held by Southern Arc.

Southern Arc now beneficially owns or has control or direction over a total of 228,510 Japan Gold Shares, representing 0.13% of Japan Gold’s issued and outstanding common shares on an undiluted basis. In addition, Southern Arc beneficially owns or has control or direction over a total of 18,084,100 Warrants exercisable to acquire an additional 18,084,100 Japan Gold Shares, representing 9.44% of Japan Gold’s issued and outstanding shares on a partially diluted basis, assuming exercise of all of the Warrants held by Southern Arc and no further Japan Gold Shares have been issued.

Southern Arc 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, subject to a number of factors, including general market conditions and other available investment and business opportunities.

The disclosure respecting Southern Arc’s shareholdings contained in this press release is made pursuant to Multilateral Instrument 62-104 and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com.

On behalf of the Board of Southern Arc Minerals Inc.

"John Proust"
Chairman & CEO

About Southern Arc

Southern Arc is a Canadian company focused on enhancing shareholder value through strategic investments in mineral resource companies with a focus on gold and copper-gold. Southern Arc’s management team identifies highly prospective assets in politically safe jurisdictions and seeks to unlock their value by providing strategic investments, proven technical skills, global knowledge, and increased access to industry relationships. More information is available at www.southernarcminerals.com or by email at info@southernarcminerals.com.

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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.