

VANCOUVER, Sept. 5, 2017 /CNW/ - [Southern Arc Minerals Inc.](#) (TSX-V: SA) ("Southern Arc" or the "Company") is pleased to announce that it has entered into a binding term sheet with PT Ancora Indonesia Resources, Tbk ("PT AIR"), an Indonesian public company listed on the Jakarta Stock Exchange, pursuant to which PT AIR will acquire all of the issued and outstanding shares of Southern Arc's Singaporean subsidiary, Indotan Lombok Pte Ltd. Indotan Lombok Pte Ltd owns 90% of Indonesian company PT Indotan Lombok Barat Bangkit which holds an IUP on the West Lombok Property (the "Property") located on Lombok Island in Indonesia.

The West Lombok Property covers a 13-km long by 7-km wide northwest trending structural corridor of mineralization and alteration hosting three main prospects: the Pelangan epithermal gold prospect, the Mencanggah epithermal/porphyry district, and the Selodong porphyry intrusive complex.

In consideration for the acquisition, PT AIR will pay Southern Arc US\$2 million and will grant the Company a 3% net smelter return royalty on any production from the Property. PT AIR may buy back this royalty at any time for US\$2 million.

Southern Arc will provide a loan of US\$1 million to PT AIR which will be used specifically to cover costs of drilling and geological consultants to work towards the preparation of a JORC compliant ore reserve report. The loan will be repayable within one year and will accrue interest at the LIBOR rate plus 3%. The property is also subject to an existing 2% net smelter return royalty in favour of a third party which may be purchased for US\$1 million.

The completion of the acquisition is subject to a number of conditions precedent including due diligence (to be completed in 45 days), assignment of the existing royalty agreement and finalizing the loan and royalty agreement with the Southern Arc (to be completed in 60 days).

On behalf of the Board of [Southern Arc Minerals Inc.](#)

"John Proust"

Chairman & CEO

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 forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the Company's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

SOURCE [Southern Arc Minerals Inc.](#)

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