

Southern Empire Resources Corp. Updates Status of Oro Cruz Project Permitting

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VANCOUVER, March 8, 2021 - [Southern Empire Resources Corp.](#) (Southern Empire) (TSXV: SMP) (Frankfurt: 5RE) (OTC: SMPEF) announces that it has entered into a Memorandum of Understanding (MOU) with the United States Department of the Interior's Bureau of Land Management (BLM) to determine the respective responsibilities, conditions, and procedures to be followed during the preparation of an Environmental Assessment (EA) for a 630 acre (255 hectare) area of the Oro Cruz Project that is subject to Southern Empire's Exploration Plan of Operations (Plan), which the BLM previously deemed to be administratively and technically complete; see the Southern Empire news release of January 19, 2021. The Oro Cruz Project encompasses a historically explored and mined area of the Cargo Muchacho Mountains of southeastern California.

Highlights of Southern Empire's Proposed Exploration Plan of Operations:

- Covers a 630-acre area of the total 6,830-acre (2,764 hectare; ha) Oro Cruz Project
- Allows for:
 - 65 drill pads for Reverse Circulation (RC) and/or core drilling in seven drill target areas that include the formerly producing Cross and Queen open pit and underground mine areas
 - Creation of a 2.6-acre staging area at the Cross Mine underground portal for infrastructure related to future underground exploration and development
 - Construction of approximately 2.94 kilometres (km; 1.83 miles) of new, permanent access roads, ~9.98 km (6.2 miles) of temporary drill site access roads and ~4.21 km (2.62 miles) of improvements to existing roads
- field studies for environmental, water and cultural resources assessments have started

Dale Wallster, CEO of Southern Empire stated: "While the permitting process in California is multi-layered and complex, permits are most certainly attainable, as evidenced by our recent sonic drill programs that confirmed the gold potential of the historical American Girl and Padre y Madre heap leach pads. We are very pleased to now work together with the BLM to get boots on the ground and complete the necessary baseline studies that should ultimately result in core drilling of our high-grade Oro Cruz gold targets this fall."

The MOU allows Southern Empire, working in collaboration with the El Centro Field Office of the BLM and other relevant environmental regulatory agencies, to design and complete the baseline archaeological, environmental, groundwater and cultural resources work plans and field studies to develop the data necessary to thoroughly understand and document the currently existing surface conditions of that specific 630-acre area covered by the Plan that occurs within the Picacho Area of Critical Environmental Concern ("Picacho ACEC"; see Figure 1), prior to undertaking the Plan-related exploration proposed by Southern Empire. As such, the regulatory-compliant EA baseline field studies to support further permitting of the project have been initiated with biological resource studies anticipated to be completed by the end of March, 2021 and cultural resource studies in April, 2021. Receipt of this work by the BLM will initiate the U.S. National Environmental Policy Act of 1969 (NEPA) review process for the Plan.

Highlights of Oro Cruz Project Permitting, to date, include:

- BLM notice-level authorizations (see Southern Empire news releases of November 17, 2020 and January 13, 2021), together with two Building Permits received from Imperial County, allowed the completion of 20 sonic drill holes on Oro Cruz Project lands outside of the Picacho ACEC; more sonic drilling of the American Girl and Padre y Madre historical heap leach pads is planned
- The Exploration Plan of Operations for Oro Cruz Project lands within the Picacho ACEC (see Southern Empire news release of January 19, 2021) was deemed by the BLM to be administratively and technically complete
- The BLM has determined that the environmental review process required by the NEPA can begin through the solicitation of public comment regarding the Plan
- Tribal engagement has been initiated and 16 regional tribal organizations have been contacted

- A Memorandum of Understanding, between the BLM and Southern Empire, has been established and will define roles and responsibilities during the NEPA review process
- Baseline studies to support NEPA and CEQA have started. These studies include:
 - Desert tortoise, bats, raptors and other wildlife assessments
 - Botanical assessments
 - Archaeological and other cultural resource studies
 - Ground disturbance assessments
 - Waters of the United States and Waters of the State of California reviews
- Design of a SMARA-compliant Reclamation Plan has commenced.
- Permits for Oro Cruz Project exploration within the Picacho ACEC are expected within six months of the initiation of the NEPA process, co-ordinating with an exploration field season in the fall of 2021.

The scope of proposed exploration and development work will also determine whether permitting of Oro Cruz Project lands may be subject to the requirements of the State of California's Surface Mining and Reclamation Act (1975) (SMARA) and the California Environmental Quality Act (CEQA). Regarding this, Southern Empire has, in co-ordination with Imperial County, started engineering and environmental analyses to support the submittal of:

- 1) A CEQA analysis to support the associated county and state permitting processes for the Plan
- 2) A Reclamation Plan to fulfill requirements of SMARA
- 3) A Conditional Use Permit ("CUP") to fulfill Imperial County permitting requirements

Southern Empire's environmental, permitting and regulatory efforts are co-ordinated by Del Fortner Consulting of Tucson, Arizona. To facilitate timely completion of the EA, Southern Empire has agreed with the BLM to contract a third-party environmental contractor for the preparation of the EA. The third-party environmental contractor will work at the sole direction of the BLM for NEPA-related matters.

Southern Empire's environmental and permitting team also includes:

- Sespe Consulting, Inc. of Ventura, California; specialists regarding SMARA and CEQA requirements who are liaising with, and providing baseline studies and documents for the State of California and Imperial County.
- Stantec Consulting Services Inc.; an international firm that are conducting baseline environmental studies, liaising with, and providing NEPA documents for the BLM, the State of California and Imperial County.
- WestLand Resources, Inc. of Tucson, Arizona; specialists in environmental permitting and planning, who are conducting baseline archaeological, biological and other cultural and environmental studies, providing documentation necessary to comply with NEPA and CEQA permitting, and liaising with the BLM, State of California and Imperial County. WestLand are also providing support to Southern Empire's engagement with regional tribal organizations.

Investor Relations Update

Southern Empire is pleased to announce that it has entered into an investor relations agreement with CM-Equity AG (CM) of Munich, Germany to provide investor relations services, including communicating with members of the European financial community as well as shareholders.

CM-Equity AG is a European-regulated investment boutique and financial service provider that is licenced for corporate brokerage services from market making to fund-raising and M&A activities. CM offers its corporate clients access to its regulatory compliant digital asset platform which offers attractive and modern forms of public financings. Also, CM provides both institutional and retail investors with a platform for direct access to its corporate clients through meetings, conferences, webinars and social media channels.

Under the terms of the investor relations agreement, Southern Empire has agreed to retain CM for a period of one (1) year which shall automatically renew for a further year unless a party to the agreement provides three month written notice. CM will be paid a fee in the amount of 50,000 Euros as well as applicable disbursements and taxes. CM shall be granted 100,000 incentive stock options to purchase common shares

of Southern Empire, subject to TSX Venture Exchange acceptance. Each option will be exercisable to purchase one common share of Southern Empire for five years at a price of 30 cents per common share in accordance with the terms of the company's stock option plan. CM will assist Southern Empire in its investor presentations, awareness campaigns and providing corporate brokerage functions for the Southern Empire in Germany and beyond. Michael Kott, CM's founder and CEO, will act as the CM's representative in this regard.

TSX Venture Exchange Approval of the American Girl Mine Property Acquisition

Southern Empire has finally received TSX Venture Exchange (Exchange) approval allowing the acquisition of 7 privately-owned, patented lode mining claims and 10 BLM administered claims that cover the former gold producing American Girl Mine area of the Oro Cruz Project to close. Terms of this transaction are further disclosed in Southern Empire's news release dated September 14, 2021,

Highlights of the American Girl Mine Property Transaction

The acquired American Girl Mine Property:

- comprises 100% of 7 privately-owned, patented lode mining claims and 10 BLM administered claims
- covers 116 ha (287 acres) including portions of the formerly producing American Girl gold mine operations that produced more than 500,000 oz gold from four underground and four open pit deposits
- has significant exploration potential for underground high-grade, oxide gold mineralization
- is subject to no royalty interests
- covers mine waste dumps which may, at current gold prices, present an opportunity to develop a resource in a manner similar to the conversion of waste dumps to resources by Equinox Gold Corp. at their nearby Mesquite Mine

Qualified Person (QP)

The scientific and technical information contained in this news release has been prepared, reviewed and approved by David Tupper, P.Geol. (British Columbia), Southern Empire's VP Exploration and a Qualified Person (QP) within the context of Canadian Securities Administrators' National Instrument 43-101; Standards of Disclosure for Mineral Projects (NI 43-101).

About Southern Empire Resources Corp.

Southern Empire is focused on the acquisition, exploration and development of gold deposits in North America.

In the Cargo Muchacho mountains of Imperial County, California, Southern Empire owns 100 per cent of the historical gold-producing American Girl mine property and also holds options to acquire a 100-per-cent interest in the adjacent 2,160-hectare (5,338-acre) Oro Cruz property located approximately 22.5 kilometres (14 miles) southeast of the operating Mesquite Mine of Equinox Gold Corp.

At Oro Cruz, extensive historical drilling and large-scale open-pit and underground mining of the American Girl, Padre y Madre, Queen and Cross oxide gold deposits by the American Girl Mining Joint Venture (AGMJV; ultimately owned 53 per cent by MK Gold Company and 47 per cent by [Hecla Mining Company](#)) occurred between 1987 and 1996. At that time, gold was recovered by either heap leaching of lower-grade or milling of higher-grade ores until AGMJV operations ceased in late 1996 because of declining gold prices leaving the Oro Cruz Project with many gold exploration targets in addition to the historical inferred resource estimate, reported in 2011 by Lincoln Mining Corp., totalling 341,800 ounces gold based on 4,386,000 tonnes averaging 2.2 grams gold per tonne at a cut-off grade of 0.68 g/t Au (4,835,000 tons at 0.07 ounce gold per ton; please refer to the Cautionary Notice Regarding Historical Resource Estimate below).

Southern Empire is well financed, having completed two oversubscribed, non-brokered private placement financings during 2020; see Southern Empire's news releases dated March 18 and June 12, 2020, for details. With its strong working capital position, which also includes a significant equity holding in Augusta

Gold Corp., Southern Empire has the financial resources to continue exploration and development programs at Oro Cruz and consider new opportunities.

On behalf of the Board of Directors of [Southern Empire Resources Corp.](#),
Dale Wallster, CEO and Director

Cautionary Notice on Forward-Looking Information

Information provided in this news release may contain forward-looking information or forward-looking statements that are based on assumptions as of the date of this news release. Such information or statements reflect management's current estimates, beliefs, intentions and expectations and are not guarantees of future performance. Southern Empire cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond its respective control. Such factors include, among other things: risks and uncertainties relating to Southern Empire limited operating history, the need to comply with environmental and governmental regulations, results of exploration programs on its projects and those risks and uncertainties identified in its annual and interim financial statements and management discussion and analysis. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Southern Empire undertakes no obligation to publicly update or revise forward-looking information.

Cautionary Notice Regarding Historical Resource Estimate

The historical resource estimate outlined above is disclosed in a technical report dated April 29, 2011, prepared for Lincoln Mining Corp. by Tetra Tech, Inc. and filed on Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR). It is termed an inferred mineral resource, which is a category set out in NI 43-101. It was based on historical reverse circulation and core drill hole sample, underground channel sample, and blasthole sample assay results and calculated using ordinary kriging to estimate gold grades in 10-foot-by-10-foot-by-five-foot blocks. Accordingly, Southern Empire considers this historical estimate reliable as well as relevant as it represents key targets for future exploration work. However, a QP has not done sufficient work to verify or classify the historical estimate as a current mineral resource and Southern Empire is not treating this historical estimate as current mineral resources.

Work Programs During the COVID-19 Pandemic

Timing of Southern Empire's exploration programs will be contingent on governmental regulations regarding the COVID-19 pandemic and also the availability of exploration-related personnel, drill contractors, equipment, lodging, et cetera. Southern Empire will adhere to COVID-19 directives regarding safe working practices putting worker, community and national safety first and will proceed with exploration and development work programs only if potential COVID-19 risks can be effectively managed.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE [Southern Empire Resources Corp.](#)

Contact

For further information on Southern Empire please visit both www.smp.gold and SEDAR or contact: Lubica Keighery, (778) 889-5476, lubica@smp.gold.

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