BLM Approval Received for Drilling at Southern Empire's Oro Cruz Project

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VANCOUVER, Sept. 5, 2023 - <u>Southern Empire Resources Corp.</u> (Southern Empire) (TSX-V: SMP) (Frankfurt: 5RE) (SMPEF) is very pleased to announce that in an August 31, 2023 Press Release, the United States Department of the I Bureau of Land Management (BLM) stated that Southern Empire's subsidiary, SMP Gold Corp., was approved to "mov with mineral exploration on public lands" at its wholly owned Oro Cruz Project located in Imperial County, California.

David Tupper, Southern Empire's VP of Exploration stated, "Receiving the BLM's approval for our planned Oro Cruz ex a major step forward for us, one that brings us much closer to both drilling the high-grade, oxide gold zone of the Cross which last produced gold in 1996, and to establish surface infrastructure that will enable us to access its underground which remain in excellent condition."

On September 1, 2023, the BLM issued a Decision Record (DR), based on information provided by an Environmental Aprepared pursuant to the National Environmental Policy Act of 1969 (NEPA) and a signed Finding of No Significant Imp (FONSI), approving proposed exploration activities (the Proposed Action) as described in both Southern Empire's Plan Operations (the Plan) for the Oro Cruz Project and in the Environmental Assessment/Mitigated Negative Declaration (Ejointly prepared in coordination with the Imperial County Planning Department (ICPD), which is the lead agency for the Environmental Quality Act (CEQA) permitting for the Oro Cruz Project.

BLM approval of the Proposed Action set out in the Oro Cruz Project Plan of Operations allows for:

- Establishment of up to 65 drill pads in seven drill target areas
- Reverse Circulation (RC) and/or core drilling of up to 65 drill holes
- Improvement and construction of access roads
- Creation of a staging area at the Cross Mine underground portal for infrastructure required to support future underground.

The Plan proposes that Southern Empire conduct the Proposed Action on lands administered and managed by the BLI specifically occur within a 257-hectare (ha; 635 acre) area of the ~184,000-acre Picacho Area of Critical Environmental which covers important cultural and biological resources and the historic Cargo Muchacho - Tumco Mining district. The surface disturbance from the Proposed Action is limited to approximately 8.3 ha (20.5 acres) and most of the proposed are within areas previously disturbed by the historical American Girl Mining Joint Venture operations, which concluded

The EA/MND analyzed the affected environment and environmental impacts and established environmental protection avoid or mitigate conflicts with, and undue degradation of, natural, cultural, and historic resources associated with the Faction.

The BLM's approval of the Proposed Action, as described in the Plan and the EA/MND complies with federal and state to environmental protection and the protection of cultural resources and is in conformance with applicable land use plan and regulations and that it will not cause unnecessary or undue degradation. In addition, the BLM has determined that Cruz Project is "reasonably incident" to mining and would attain the stated level of protection and reclamation required laws in the California Desert Conservation Area (CDCA).

Public and Regulatory Involvement in Oro Cruz Project Permitting

The Plan was initially submitted to the BLM's El Centro Field Office on September 28, 2020.

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The BLM, following its procedural review, determined on November 16, 2021 that the Plan was administratively and technically complete and consistent with U.S. federal surface management regulations.

Environmental, biological, cultural, hydrological and other baseline studies were completed in preparation for analysis i permitting processes.

The BLM published a Notice of Intent in the Federal Register and on March 4, 2022, issued a press release announcing BLM was initiating an environmental review, seeking public input regarding the Plan and implementing a NEPA-require public scoping period regarding the Oro Cruz Project. The public scoping period ended on April 4, 2022, with six public comment letters received, one from a federal agency and five from public interest organizations.

A 582-page Reclamation Plan for compliance with the State of California's Surface Mining and Reclamation Act (SMAR prepared and submitted to the California Department of Conservation's Division of Mine Reclamation (DMR) for their reduced June 24, 2022. The Reclamation Plan was considered to be complete subsequent to DMR's review and comments reconcided to SMP - Oro Cruz Project, Imperial County, California - Reclamation Plan 20220928.

Pursuant to NEPA and CEQA, the BLM and the ICPD (on behalf of the State of California) jointly prepared a draft EA/N purpose of which was to provide a project description, identify issues and describe affected environments, analyze and any potential environmental, cultural, and recreational resource impacts associated with the Plan, identify and disclose required mitigation measures, or project alternatives as appropriate.

The BLM also prepared and published an unsigned FONSI, based on the information contained in the draft EA/MND, that Proposed Action identified in the draft EA/MND would not significantly affect the quality of the human environment Environmental Impact Statement is not required to be prepared for the Plan.

Only after public review and commentary regarding the draft EA/MND and the unsigned FONSI could the BLM make a decision regarding authorization of the Proposed Action. The draft EA/MND and the unsigned FONSI were published to public review period from November 16, 2022 through December 16, 2022. During that time a Virtual Public Meeting we November 30, 2022 and, by the end of the open public comment period, 373 public comments had been submitted to the

The ICPD held an Environmental Evaluation Committee public hearing on November 17, 2022 for review of the adequace CEQA analysis within the EA/MND.

Following the NEPA and CEQA public review periods, the BLM and ICPD coordinated with the third-party NEPA and C contractors to revise the draft EA/MND as deemed necessary and to respond to any public comments received in orde agencies to reach a decision on the Oro Cruz Project. Public comments received did not result in substantive revisions EA/MND and this document was finalized.

Based on information in the EA/MND, the signed FONSI, and other related documents, the BLM has now determined to the Proposed Action as described in the EA/MND for the Oro Cruz Project, and finds this action conforms to BLM NEPA requirements. The BLM further finds this action in conformance with applicable land use plans, laws, and regulations and to cause unnecessary or undue degradation.

The BLM's Decision Record and signed FONSI, the Environmental Assessment/Mitigated Negative Declaration and oth associated documents were posted for public review on September 1, 2023, online at the BLM NEPA Register. These are also available for public review at the BLM El Centro Field Office located at 1661 South 4th Street in El Centro, Cal

The BLM's September 1, 2023 decision is subject to a 30-day public appeal period.

The Imperial County Planning Commission has set a hearing at 9:00 a.m. on September 13, 2023, in the Board of Sup Chambers, 940 Main Street, El Centro, California, to make determinations regarding the Oro Cruz Project, including, but to, the adoption of the EA/MND, resolutions adopting the Mitigated Negative Declaration for the Reclamation Plan, and adopting the Reclamation Plan. Materials for this meeting are available at:

https://www.icpds.com/assets/hearings/3.-RP21-0001-SMP-Gold-Corp-(Oro-Cruz)-PC-PKG-09-13-23.pdf. Southern Er continues to seek other ancillary permits at the state and county level.

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Southern Empire's ongoing environmental and permitting efforts are coordinated by Del Fortner Consulting of Tucson, Arizona. Our broader environmental assessment and permitting team includes:

- Sespe Consulting, Inc., specialists on SMARA and CEQA baseline environmental analysis, permitting and reclam requirements, that assist in document preparation for the CEQA analysis.
- Stantec Consulting Services Inc., an international firm that liaises directly with both the BLM and the ICPD to prepresent documentation for the BLM and coordinate the CEQA environmental review process with the ICPD.
- WestLand Resources, Inc., specialists in environmental engineering, permitting and planning, have completed the Project baseline environmental and cultural studies and have provided documentation and services necessary to both the NEPA and CEQA permitting requirements.

About Southern Empire Resources Corp.

Southern Empire is engaged in the acquisition, exploration and development of metals and minerals deposits in the American southwest and northern México and is particularly focused on those that are naturally oxidized and amenable to lower-cost metal extraction methodologies such as heap leaching. To achieve its goals, Southern Empire has assembled a board of directors, all veterans in mine and corporate finance, exploration, permitting, development, and operations that will guide the future growth of the company.

In the Cargo Muchacho mountains of Imperial County, California, Southern Empire's wholly owned Oro Cruz Project has the potential to re-establish gold production from an oxide gold deposit located approximately 22.5 kilometres (14 miles) southeast of the operating Mesquite gold mine of Equinox Gold Corp., which has now produced more than five million ounces. 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; being MK Gold Company and Hecla Mining Company) occurred between 1987 and 1996. During that time, gold was recovered by heap leaching of lower-grade ores and milling of higher-grade ores. Following significant definition drilling and underground development, the Cross open-pit and underground mines operated successfully for only one year, producing about 61,000 ounces of gold, until AGMJV operations ceased in late 1996 as collapsing gold prices caused their entire operations to be shuttered and decommissioned. This left the Oro Cruz property with many gold exploration targets in addition to the Cross oxide gold deposit having a historical inferred resource estimate, as 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 the Oro Cruz Property Historical Resource Estimate below). Although no surface facilities remain, the underground infrastructure at Oro Cruz (including a 2.4 kilometre haulage ramp, sublevels and draw points) remains in excellent condition and the open pit was abandoned just after stripping was completed prior to the start of its Stage II expansion.

Southern Empire continues to finalize ancillary state and county permitting for the Oro Cruz Project. The planned work program of up to 65 exploration, confirmation and metallurgical drill holes will support a new mineral resource estimate and test the potential of waste rock dumps to yield residual gold production.

In northern México (Sonora, Chihuahua, and Durango), Southern Empire has a leachable copper prospect and three gold projects having bulk-tonnage potential. Our Mexican projects are the:

- Suaqui Verde Copper Project, Suaqui Grande, Sonora;
- Centauro Gold Project, Escalón, Chihuahua;
- Pedro Gold Project, Mapimí, Durango;
- La Loma Gold Project, Nazas, Durango; and,

Southern Empire has recently entered into an agreement allowing for the acquisition of up to a 100% beneficial interest in the Suaqui Verde Copper Project, situated in the mining-friendly State of Sonora in northwestern México. The Suaqui Verde copper deposit is characterized by oxide and enriched copper sulphide mineralization and has been explored through historical drill holes. It lies within the Sonora-Arizona porphyry copper province, known for its copper-molybdenum deposits. The project covers approximately 1,952 hectares and has been the subject of various historical open-pit mineral resource estimates. The agreement includes access to water usage rights and surface land rights. The location offers good access to infrastructure and workforce, and the deposit's potential development scenarios encompass open pit mining and heap leaching, or innovative in-situ leaching, both aimed at cathode copper production through SX/EW

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processing methods. Southern Empire aims to capitalize on previous investments and explore the deposit's expansion potential.

The three gold projects are located along what Southern Empire is calling the Mapimí Gold Corridor, a 150-kilometre, southeast-trending Oligocene tectonostratigraphic belt, the regional geological setting of which, together with numerous coincident geological, mineralogical and geochemical characteristics as observed at Centauro, Pedro and La Loma, strongly supports the proposition that the Mapimí Gold Corridor has significant potential to host bulk-mineable, low sulfidation epithermal and/or Carlin-style gold deposits.

For more information on Southern Empire, its people and its projects, please visit our website: www.smp.gold.

On behalf of the Board of Directors of <u>Southern Empire Resources Corp.</u>, Dale Wallster, CEO and Director

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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's 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 Content and Egriphing platies. Visit both www.smp.gold and SEDAR+ or contact: Lubica Keighery, (778) 889-5476, lubica@smp.gold.

Cautionary Notice Regarding the Oro Cruz Project Historical Mineral Resource Estimate

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