Southern Empire
RESOURCES CORP.

TSX-V: SMP
Frankfurt: 5RE
OTC: SMPEF

NEWS RELEASE
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Southern Empire Completes Successful Safety Appraisal of Oro Cruz Underground Mine

Southern Empire Resources Corp. (Southern Empire; TSX-V: SMP; Frankfurt: 5RE; OTCQB: SMPEF) announces that it has received a positive assessment regarding the current conditions of the historical underground workings of the Cross Mine located on Southern Empire's Oro Cruz Gold Project in southeastern California.

American Mine Services, Inc. (AMS), an engineering company specializing in the evaluation, design and construction of mines, completed an on-site inspection on September 29-30, 2020. Joe Cooper, President of AMS stated:

> "I have been personally involved with the Oro Cruz underground mine since before we began the decline excavation in April of 1995. Our recent Southern Empire trip was the second time that I have completed an underground inspection there in the last 10 years. Given this extensive background, I can say without hesitation that the current conditions underground are as good as anything I have ever reviewed, especially when considering the original excavation was completed, and unused for most of the last 25 years. Costs associated with re-opening and rehabilitating this mine for exploration and/or production would be very minimal. This is not only unusual but it is also extremely encouraging as most of the high-cost mine development, depending upon final mine plan, has already been completed and is presently in place and suitable for utilization as an underground mine."

The historical Cross Mine comprises both open pit and underground workings that were developed in the early 1990's by the American Girl Mining Joint Venture (AGMJV), which was 53% owned by MK Gold Company, then a subsidiary of Morrison-Knudsen Corporation, and 47% owned by Hecla Mining Company. Soon after achieving commercial production and producing 61,000 oz of gold, AGMJV operations ceased on November 1, 1996 due to declining gold prices, leaving behind in excess of 2.4 kilometres (1.5 miles) of underground development accessing a high-grade, oxide gold zone that, based on the historical mine operation records, is amenable to conventional heap leach extractive methods.

The objectives of the AMS inspection were to determine:

- the ground conditions and safety status of all stable existing Cross Mine underground excavations including the mine portal, vent raises, main decline and crosscuts
- the regulatory compliance of existing surface access to support future underground exploration and mining

Highlights of the AMS mine inspection were:

- Ground conditions in the primary underground openings are excellent; essentially unchanged from the last inspection, also conducted by AMS personnel, in 2010

- Re-entry and re-activation of underground mining for future exploration purposes could be quick and cost effective
- No noxious gases or areas of low oxygen were encountered, indicating adequate natural ventilation throughout the mine
- Natural ventilation quantity is approximately 15,000 cubic feet per minute (cfm)
- Two vent raises and furnishings were found to be in excellent condition, virtually the same as at the time of mine closure in 1996, with all ladders and landings still in place, and suitable for secondary egress or access
- Although ground conditions in and near the high-grade, oxide gold zones are not as stable as the wall rock that the main decline was excavated in, ground conditions are generally good to excellent with very little fallen material present in any of the underground openings

AMS is of the opinion that the overall condition of the mine could be considered good to excellent and remedial work to provide safe passage, via the main decline, to the raises and major drifts could be accomplished with a 5- to 6-man crew over a three week period. These mine rehabilitation efforts would be primarily limited to scaling of loose material, installation of minimal ground support, removal of loose rock in the wire mesh baskets and minimal replacement of bolts, matts, and plates. This work would not provide rehabilitation to all drifts, crosscuts and stopes, as areas off the main decline will be somewhat more labor intensive to make safe for re-entry.

While on site, the AMS team performed improvements to the surface raise collar barricade that were needed to prevent either intentional or accidental access into the mine via the surface vent raise.

Pathway to Underground Exploration and Mining at Oro Cruz

To conduct future underground exploration and limited mining programs, including bulk sampling for metallurgical test work, the following is planned or in process:

- Using LiDAR (light detection and ranging) technology, complete an underground mine survey to tie in known openings, drill holes, sample sites, survey monuments, etc. and create a base map
- Obtain permits (in process) for surface lay down and mine support facilities such as a mine dry, shop, air plant, electrical plant, fuel storage and a water recirculation / filtration system
- Obtain permits (in process) for, and complete, access road improvements to provide safe, regulatory-compliant ingress or egress to and from the mine
- Develop and submit to the Mine Safety and Health Administration (MSHA) district office all required training and operating plans including the establishment of both on-site and backup Mine Rescue Teams
- Beginning at the mine portal, scale all loose rock from the backs and ribs of the main decline and access to the bottoms of both vent raises and install ground support as needed; estimated by AMS to be a minimal undertaking
- Reinstall compressed air lines, service water and electrical distribution systems, the size of which would be dictated by the work planned. AMS suggests that the existing compressed air lines could possibly be utilized for either compressed air or for drill / service water if adequately flushed and a filtration system was installed at the points of use
- Install a mechanical ventilation system underground to minimize surface disturbance
- Install a single-phase electrical power generation plant to operate ventilation systems and any electrical drilling or mining equipment utilized
- Install two 375 cfm air compressors, operating one at a time unless air consumption requires both

Qualified Person (QP)

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

About Southern Empire Resources Corp.

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

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

With a history that includes extensive drilling and large-scale open pit and underground mining by the American Girl Mining Joint Venture (53 per cent owned by MK Gold Company, then a subsidiary of Morrison-Knudsen Corporation, and 47 per cent owned by Hecla Mining Company), which was suspended during the gold market downturn in 1996, the Oro Cruz Gold Project hosts many exploration targets in addition to a high-grade oxide gold zone that, based on the historical mine operation records, is amenable to conventional heap leach extractive methods.

In 2011, Lincoln Mining Corporation reported a historical inferred resource estimate at Oro Cruz totaling 341,800 ounces gold based on 4,386,000 tonnes averaging 2.20 grams gold per tonne at a cutoff grade of 0.68 g Au/t (4,835,000 tons at 0.07 ounces gold per ton). This historical inferred resource estimate is disclosed in a technical report dated April 29, 2011, prepared for Lincoln Mining Corporation by Tetra Tech, Inc. and filed on SEDAR).

The historical mineral resource estimate, termed "inferred mineral resource", which is a category set out in NI 43-101, was based on previous reverse circulation and core drill hole sample, underground channel sample and blasthole sample assays, and calculated using ordinary kriging to estimate gold grades in 10 foot x 10 foot x 5 foot blocks. Accordingly, Southern Empire considers this historical estimate reliable as well as relevant as it represents key targets for future exploration work. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource and Southern Empire is not treating this historical estimate as current mineral resources.

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

On behalf of the Board of Directors of Southern Empire Resources Corp.,

Dale Wallster, CEO and Director

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

Cautionary Notice on Forward-Looking Information

Information provided in this news release may contain forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They 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.

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.