

SOUTHERN EMPIRE RESOURCES CORP.
Suite 420, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2

INFORMATION CIRCULAR
(as at June 22, 2020 except as otherwise indicated)

Southern Empire Resources Corp. ("Southern Empire" or the "Company") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "Meeting") of the Company to be held at Suite 704, 595 Howe Street, Vancouver, BC, V6C 2T5 on Thursday, July 23, 2020 at 11:00 a.m. (Vancouver Time). Southern Empire will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of such solicitation. All dollar (\$) amounts referred to herein means Canadian currency, unless otherwise indicated.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder named in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of Southern Empire (the "Management Proxyholders").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of Southern Empire knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of Southern Empire's registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario M4J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of Southern Empire as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The

Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, Southern Empire has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs.

If Southern Empire or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of Southern Empire, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Southern Empire is authorized to issue an unlimited number of common shares without par value (the "shares"). As of June 15, 2020, 49,366,140 shares were issued and outstanding. Persons who are registered shareholders at the close of business on June 15, 2020 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. Southern Empire has two classes of shares, common shares and preferred shares. To date, Southern Empire has not issued any preferred shares.

To the knowledge of the directors and executive officers of Southern Empire, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company other than:

Name of Shareholder	Number of Common Shares Held	Percentage of Outstanding Common Shares
Eros Resources Corp. ⁽¹⁾	9,302,941	18.8%

Note:

- (1) Eros Resources Corp. is a reporting issuer listed on the TSX Venture Exchange for which Ronald Netolitzky and Andrew Davidson act as Chief Executive Officer and Chief Financial Officer, respectively.

NUMBER OF DIRECTORS

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of Southern Empire for the ensuing year at six (6). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at six (6).

Management recommends the approval of the resolution to set the number of directors of the Company at six (6).

ELECTION OF DIRECTORS

The directors of Southern Empire are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Management of Southern Empire proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾</i>
Dale Wallster CEO, President and Director British Columbia, Canada	Prospector, Geologist and Businessman.	March 18, 2020	3,104,700 ⁽³⁾
Ronald Netolitzky ⁽²⁾ Chairman and Director British Columbia, Canada	CEO, President and Director of Eros Resources Corp.	March 18, 2020	Nil ⁽⁴⁾
James Hutton ⁽²⁾ Director British Columbia, Canada	Chairman and Director of Fosterville South Exploration Ltd.; and President of Hutton Capital Corp. since 1986	September 9, 2017	3,753,334
James Currie ⁽²⁾ Director British Columbia, Canada	Director of Norra Metals Corp.	March 18, 2020	50,000

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i>
Bryan Slusarchuk Director British Columbia, Canada	Former President of K92 Mining Inc.; CEO and Director of Fosterville South Exploration Ltd.; and President and Director of Turmalina Metals Corp.	March 18, 2020	1,573,333
Latika Prasad Director British Columbia, Canada	Corporate Secretary of Realgold Resources Corp.; previously a Director and Corporate Secretary of Turmalina Metals Corp. and a Director and Assistant Corporate Secretary of Wabi Exploration Inc.	March 18, 2020	1,573,333

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) Mr. Wallster holds: (i) 2,200,000 Common Shares directly, and (ii) 884,700 Common Shares indirectly through Mulgravian Ventures Corporation, a company that Mr. Wallster has a controlling interest in.
- (4) Mr. Netolitzky is a principal of Eros Resources Corp. which holds 9,302,941 common shares of the Company.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Management recommends the approval of each of the nominees listed above for election as directors of Southern Empire until the next annual general meeting.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
 - (i) was the subject, while the director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information, dated as of June 22, 2020, is provided as required under Form 51-102F6V for venture issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose

James Currie ⁽⁸⁾ Director	2019 2018	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
James Harris ⁽⁹⁾ Former Director	2019 2018	- -	- -	- -	- -	- -	- -
Christopher Jackson ⁽¹⁰⁾ Former Director	2019 2018	- -	- -	- -	- -	- -	- -

Notes:

- (1) Mr. Wallster was appointed Chief Executive Officer and a Director of the Company on March 18, 2020.
- (2) Mr. Hutton resigned as Chief Executive Officer of the Company on March 18, 2020.
- (3) Mr. Davidson was appointed Chief Financial Officer and Secretary of the Company on March 18, 2020.
- (4) Mr. McMorran resigned as Chief Financial Officer and a Director of the Company on March 18, 2020.
- (5) Mr. Netolitzky was appointed Chairman and a Director of the Company on March 18, 2020.
- (6) Mr. Slusarchuk was appointed a Director of the Company on March 18, 2020.
- (7) Ms. Prasad was appointed a Director of the Company on March 18, 2020.
- (8) Mr. Currie was appointed a Director of the Company on March 18, 2020.
- (9) Mr. Harris resigned as a Director of the Company on March 18, 2020.
- (10) Mr. Jackson resigned as a Director of the Company on March 18, 2020.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted, or issued by the Company to each NEO and directors of the Company for the fiscal year ended October 31, 2019, for services provided, directly or indirectly, to the Company.

<i>Compensation Securities</i>							
<i>Name and position</i>	<i>Type of compensation security</i>	<i>Number of compensation securities, number of underlying securities, and percentage of class</i>	<i>Date of issue or grant</i>	<i>Issue, conversion or exercise price (\$)</i>	<i>Closing price of security or underlying security on date of grant (\$)</i>	<i>Closing price of security or underlying security at year end (\$)</i>	<i>Expiry date</i>
Dale Wallster ⁽¹⁾ CEO, President and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
James Hutton ⁽²⁾ Former CEO and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Davidson ⁽³⁾ CFO and Secretary	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Robert McMorran Former CFO and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Ron Netolitzky ⁽⁴⁾ Chairman and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Bryan Slusarchuk ⁽⁵⁾ Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Latika Prasad ⁽⁶⁾ Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
James Currie ⁽⁷⁾ Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
James Harris Former Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Christopher Jackson Former Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Wallster was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (2) Mr. Hutton was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (3) Mr. Davidson was granted 365,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (4) Mr. Netolitzky was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (5) Mr. Slusarchuk was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (6) Ms. Prasad was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.
- (7) Mr. Currie was granted 380,000 fully vested options with an exercise price of \$0.30 on March 18, 2020 for a term of five years.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the fiscal year ended October 31, 2019:

<i>Exercise of Compensation Securities by Directors and NEOs</i>							
<i>Name and position</i>	<i>Type of compensation security</i>	<i>Number of underlying securities exercised</i>	<i>Exercise price per security (\$)</i>	<i>Date of exercise</i>	<i>Closing price per security on date of exercise (\$)</i>	<i>Difference between exercise price and closing price on date of exercise (\$)</i>	<i>Total value on exercise date (\$)</i>
Dale Wallster CEO, President and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Hutton Former CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Davidson CFO and Secretary	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Robert McMorran Former CFO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ron Netolitzky Chairman and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Bryan Slusarchuk Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Latika Prasad Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Currie Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Harris Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Christopher Jackson Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Employment, Consulting and Management Agreements

Other than as set forth below, Southern Empire has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.

Southern Empire has a verbal agreement with Dale Wallster whereby Mulgravian Ventures Corporation, a company controlled by Mr. Wallster, is paid \$15,000 per month for providing the services of Mr. Wallster as President and Chief Executive Officer of the Company.

Southern Empire has a verbal agreement with Andrew Davidson whereby Jaelky Holdings Inc., a company controlled by Mr. Davidson, is paid \$8,000 per month for providing the services of Mr. Davidson as Chief Financial Officer and Secretary of the Company.

Southern Empire has an agreement with Bryan Slusarchuk whereby Mr. Slusarchuk receives a consulting fee of approximately \$10,000 per month in return for his services.

Southern Empire has an agreement with James Hutton whereby Mr. Hutton receives a consulting fee of approximately \$5,000 per month in return for his services.

Southern Empire has an agreement with David Tupper whereby Mr. Tupper receives a consulting fee of approximately \$10,000 per month in return for his services as the Company's Vice-President of Exploration.

Oversight and Description of Director and NEO Compensation

Southern Empire has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. Given the Company's current stage of development, the Company does not currently have an active compensation committee in place.

Executive compensation awarded to the named executive officers consists of two components: (1) management fees and (ii) stock options. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Company's compensation program.

Pension

Southern Empire does not provide any pension benefits for directors or executive officers.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, for the financial year ended October 31, 2019:

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
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Equity compensation plans approved by the security holders	Nil	Nil	Nil
Equity compensation plans not approved by the security holders	Nil	Nil	622,800
Total	Nil	Nil	622,800

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of Southern Empire, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of Southern Empire or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of Southern Empire or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Auditor

MNP LLP, Chartered Professional Accountants of Vancouver, British Columbia are the auditors of the Company. Unless instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Davidson & Company LLP as auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

Management recommends shareholders to vote for ratification of the appointment of Davidson & Company LLP, Chartered Professional Accountants, as Southern Empire's auditors until the next annual general meeting at a remuneration to be fixed by the Company's board of directors.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no management functions of Southern Empire are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

Southern Empire is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

Composition of Audit Committee and Independence

Southern Empire’s current Audit Committee consists of Ronald Netolitzky, James Hutton and James Currie. National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment. The following members of the current Audit Committee are considered independent: James Hutton and James Currie. Ronald Netolitzky is not independent by virtue of the fact he is a Chairman of the Company. All members of the audit committee are considered “financially literate” as that term is defined in NI 52-110.

Relevant Education and Experience

Ronald Netolitzky – Mr. Netolitzky is the President and Chief Executive Officer of Eros Resources Corp. Netolitzky has extensive experience in junior resource company finance, specifically publicly listed enterprises.

James Hutton – Mr. Hutton has over 30 years of business development and financial markets experience, and is the President of Hutton Capital Corp. Mr. Hutton has held board positions with a number of public companies since 2010, including Santacruz Silver Mining Ltd. Mr. Hutton graduated from the University of British Columbia in 1982 and obtained an MBA from City University in 2004.

James Currie – Mr. Currie has held the role of COO for a number of mid-tier gold producers. Over the course of his 40-year career in the mining industry he has been a director on various boards and held senior management, engineering and operation roles for a number of mines and projects.

Audit Committee Oversight

Since the commencement of the Southern Empire’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Southern Empire’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The aggregate fees billed by the Company’s external auditor in the fiscal year ended October 31, 2019 by category, are as follows:

<i>Financial Year Ended October 31</i>	<i>Audit Fees (\$)⁽¹⁾</i>	<i>Audit Related Fees (\$)⁽²⁾</i>	<i>Tax Fees (\$)⁽³⁾</i>	<i>All Other Fees (\$)⁽⁴⁾</i>
2019	\$9,000	Nil	Nil	Nil
2018	\$8,025	Nil	Nil	\$4,494

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

Southern Empire is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. Southern Empire’s approach to corporate governance is set out below.

Board of Directors

Management is nominating six individuals to the Board, all of whom are current directors of Southern Empire.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except Dale Wallster who is Chief Executive Officer of the Company and Ronald Netolitzky who is Chairman of Southern Empire.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of Southern Empire, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and President. The Board will give direction

and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the Audit Committee chairperson. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of Southern Empire are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “Act”), is to manage or supervise management of the business and affairs of Southern Empire and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its audit committee.

Directorships

The following directors of Southern Empire hold directorships in other reporting issuers as set out as below:

Name of Director	Name of Reporting Issuer	Exchange
Dale Wallster	Datum Ventures Inc.	NEX Board
	Roughrider Exploration Limited	TSX Venture Exchange
	ValOre Metals Corp.	TSX Venture Exchange
James Hutton	Fosterville South Exploration Ltd.	TSX Venture Exchange
Ronald Netolitzky	MAS Gold Corp.	TSX Venture Exchange
	Eros Resources Corp.	TSX Venture Exchange
	Aben Resources Ltd.	TSX Venture Exchange
Bryan Slusarchuk	Fosterville South Exploration Ltd.	TSX Venture Exchange
	Turmalina Metals Corp.	TSX Venture Exchange
Latika Prasad	Getchell Gold Corp.	Canadian Securities Exchange

Orientation and Continuing Education

The Board’s practice is to recruit for the Board only persons with extensive experience in identifying and targeting junior businesses for transactions and in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company’s affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual

director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of Southern Empire.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of Southern Empire and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Confirming Stock Option Plan

Pursuant to Policy 4.4 of the TSX Venture Exchange ("TSX-V"), all TSX-V listed companies are required to adopt a stock option plan prior to granting incentive stock options. The purpose of the Stock Option Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options. Southern Empire is currently listed on Tier 2 of the TSX-V and has adopted a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant. As of the date of this Information Circular, Southern Empire was eligible to grant up to 5,090,680 options under the Stock Option Plan. There are presently 4,250,000 options granted and 840,680 options available under the Stock Option Plan.

The shareholders are being asked to adopt the Stock Option Plan at the Meeting. As a “rolling” stock option plan, the Stock Option Plan will be required to be re-approved by the shareholders each year at the Company’s annual general meeting.

Copies of the Stock Option Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the document from the Company prior to the Meeting.

Summary of the Plan

The following information is intended as a brief description of Southern Empire’s Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. Capitalized terms are as defined in the Stock Option Plan.

1. The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
2. The exercise price per Common Share for an Option shall be determined by the Directors or their delegates if any, but will in no event be less than the permitted discount to the Market Price for the Common Shares (as defined by the policies of the TSX-V) at the date of grant.
3. If Options are granted within ninety days of a Distribution by the Company by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such Distribution. Such ninety day period shall begin:
 - (a) on the date the final receipt is issued for the final prospectus in respect of such Distribution; or
 - (b) in the case of an initial public offering, on the date of listing.
4. The number of Common Shares reserved for issuance in any 12 month period under this Plan and any other share compensation arrangement to (a) any one Person, shall not exceed 5% of the outstanding Common Shares at the time of the grant (unless the Company has obtained Disinterested Shareholder Approval to exceed such limit); (b) any one Consultant or Person employed to provide Investor Relations Activities, shall not exceed 2% of the outstanding Common Shares at the time of the grant; and (c) to Insiders, shall not exceed 10% of the outstanding Common Shares at the time of the grant.
5. Unless the Company has received Disinterested Shareholder Approval to do so, the number of Common Shares issued to any Person within a 12 month period pursuant to the exercise of Options granted under this Plan and any other share compensation arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant.
6. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of the grant.

7. If a Participant who is an Officer, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.

If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.

Unless an option agreement specifies otherwise, if a Participant ceases to be an Eligible Person for any reason other than death, each Option held by the Participant other than a Participant who is involved in investor relations activities will cease to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Participant ceases to serve in such capacity, as determined by the Board. For Participants involved in investor relations activities, Options shall cease to be exercisable 30 days after the Termination Date or for a "reasonable period" after the Participant ceases to serve in such capacity, as determined by the Board.

For greater certainty, if a Participant dies, each Option held by such Participant shall be exercisable by the legal representative of such Participant until such Option terminates and therefore ceases to be exercisable pursuant to the terms of this Section.

If any portion of an Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion and in the case of Options relating to Investor Relations, subject to the approval of the TSX-V, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Participant ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option to vest.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the TSX-V, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

The Plan was approved by the shareholders at the Company's annual general meeting held on November 15, 2018.

Under Policy 4.4 of the TSX-V, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. Therefore, at the Meeting shareholders will be asked to pass an ordinary resolution in the following form:

BE IT RESOLVED that:

- (1) Southern Empire approve and ratify, subject to regulatory approval, the Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant, with a maximum of 5% of the Company's issued and outstanding common shares being reserved to any one person on a yearly basis; and

- (2) any one officer or director of Southern Empire is hereby authorized to execute and deliver all such documents and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

Management recommends the ratification and approval of the Stock Option Plan.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to Southern Empire may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to October 31, 2019 a copy of which, together with Management's Discussion and Analysis thereon, can be found on Southern Empire's SEDAR profile at www.sedar.com.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of Southern Empire Resources Corp.

DATED at Vancouver, British Columbia, the 22nd day of June, 2020.

ON BEHALF OF THE BOARD

"Dale Wallster"

Dale Wallster
Chief Executive Officer

SCHEDULE “A”

SOUTHERN EMPIRE RESOURCES CORP.

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including Southern Empire Resources Corp. (“Southern Empire” or the “Company”). The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors. The Company, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of Southern Empire. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

I. MANDATE

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Southern Empire Resources Corp. shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of Southern Empire’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of Southern Empire’s independent external auditor (the “Auditor”); and
4. The performance of Southern Empire’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of Southern Empire, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

1) The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

2) At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to Southern Empire's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and Southern Empire.

2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

- 3) Require the Auditor to report directly to the Committee.
- 4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Southern Empire.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by Southern Empire regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of Southern Empire's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management Southern Empire's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - 5) The adoption of, or changes to, Southern Empire's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

- 6) The management inquiry letter provided by the Auditor and the Company's response to that letter.
- 7) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review Southern Empire's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review Southern Empire's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of Southern Empire's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of Southern Empire or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Southern Empire's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

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