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DEEP-SOUTH HAS CLOSED A FIRST TRANCHE OF ITS PRIVATE PLACEMENT AND WILL UPDATE ITS 2018 PEA

Vancouver, B.C., Canada – December 23, 2019 – Deep-South Resources Inc. ("**Deep-South**" or "**the Company**") (TSX-V: DSM) announces that it has closed a first tranche totaling \$267,300 of its current private placement. A second closing will be completed on January 8, 2020.

The non-brokered private placement comprises 5,346,000 units (the "Units") of Deep-South, at a subscription price of \$0.05 per Unit. Each Unit will consist of one (1) common share and one (1) common share purchase warrant ("Warrant") of Deep-South. Each Warrant will entitle the holder thereof to purchase one (1) Deep-South common share at an exercise price of \$0.09 during a period of sixty (60) months from the date of closing of the placement. Each security issued pursuant to the placement has a mandatory four (4) months holding period from the date of closing of the placement.

The Company has paid MMG Capital of London a finder's fee of \$3,464 and issued 68,800 Compensation Warrants. The Compensation Warrants have the same terms and conditions as the Warrants. Each security issued pursuant to the placements has a mandatory four (4) months hold period from the date of closing of the placements.

Preliminary Economic assessment (PEA) update

Further to the excellent Metallurgical and bio-assisted test work results that have generated copper recoveries between 89% and 96% (see the previous news release: <https://www.deepsouthresources.com/investors/news-releases/96-cu-recovery-in-column-bioleach-amenability-tests-performed-on-haib-copper-mineralized-material-from-namibia/>)

Furthermore, the ore sorting test work results have also generated highly promising results. <https://www.deepsouthresources.com/investors/news-releases/successful-sorting-test-work-upgrades-feed-grade-to-1-36-cu-from-samples-from-the-haib-copper-project-in-namibia/>

Deep-South and Mineral Engineering and Technical Services of Australia ("METS") have agreed to update the PEA disclosed on February 2018 on its Haib Copper project in Namibia. <https://www.deepsouthresources.com/investors/news-releases/successful-sorting-test-work-upgrades-feed-grade-to-1-36-cu-from-samples-from-the-haib-copper-project-in-namibia/>

The update will incorporate the highest recoveries generated by the recent test work.

About METS :

Established in 1988, Mineral Engineering Technical Services provides a range of services in the Fields of Minerals Processing, hydrométallurgie and pyrometallurgy. METS is the engineering company that produced Deep-South's Preliminary Economic

Assessment (PEA) disclosed on February 26, 2018. You can visit METS at : <https://www.metsengineering.com>

Update on Euro Alloys financing and Off Take Agreement

Deep-South and Euro Alloys have agreed to amend the Off Take Agreement signed in March 2019.

Euro Alloys shall now have the right to buy up to 22,000 metric tons (instead of 20,000 metric tons) per annum of the expected production of copper cathodes produced at Haib Copper representing about 22% of the eventual production (instead of 20%. The buying price will be established by the average Grade A copper cash price published by the London Metal Exchange (“LME”) for the month prior to the acquisition. The price will be discounted of US \$ 10 per metric ton and discounted of the transport cost to load port.

In the original agreement, Euro Alloys was granted an option to acquire one (1) million common shares of Deep-South at an exercise price of \$0.15 during a period of twelve (12) months from the date of the agreement. The option maturity has been extended to December 31, 2022.

About Deep-South Resources Inc.

Deep-South Resources Inc. is a mineral exploration company largely held by Namibian shareholders and Management with 25% and Teck Resources Ltd with 28% of Deep-South share capital. Deep-South currently holds 100% of the Haib Copper project in Namibia, one of the largest copper porphyry deposits in Africa. Deep-South also holds 75% of the Kapili Tepe Copper exploration project in Turkey. Deep-South's growth strategy is to focus on the exploration and development of quality assets, in significant mineralized zones, close to infrastructure, in stable countries.

This press release contains certain "forward-looking statements," as identified in Deep-South's periodic filings with Canadian Securities Regulators that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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