



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

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VANCOUVER, BC, Sept. 5, 2023 /CNW/ - Southern Empire Resources Corp. (Southern Empire) (TSX-V: SMP) (Frankfurt: 5RE) (OTC: SMPEF) is very pleased to announce that in an [August 31, 2023 Press Release](#), the United States Department of the Interior's Bureau of Land Management (BLM) stated that Southern Empire's subsidiary, SMP Gold Corp., was approved to **"move forward 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 exploration is a major step forward for us, one that brings us much closer to both drilling the high-grade, oxide gold zone of the Cross Mine, which last produced gold in 1996, and to establish surface infrastructure that will enable us to access its underground workings, which remain in excellent condition."***

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

The Plan proposes that Southern Empire conduct the Proposed Action on lands administered and managed by the BLM that specifically occur within a 257-hectare (ha; 635 acre) area of the ~184,000-acre Picacho Area of Critical Environmental Concern, which covers important cultural and biological resources and the historic Cargo Muchacho - Tumco Mining district. The actual surface disturbance from the Proposed Action is limited to approximately 8.3 ha (20.5 acres) and most of the proposed drill sites are within areas previously disturbed by the historical American Girl Mining Joint Venture operations, which concluded in 1996.

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

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

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 in the permitting processes.

The BLM published a Notice of Intent in the Federal Register and on March 4, 2022, issued a [press release](#) announcing that the BLM was initiating an environmental review, seeking public input regarding the Plan and implementing a NEPA-required 30-day public scoping period regarding the Oro Cruz Project. The public scoping period ended on April 4, 2022, with six public scoping 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* (SMARA) was prepared and submitted to the California Department of Conservation's Division of Mine Reclamation (DMR) for their review on June 24, 2022. The Reclamation Plan was considered to be complete subsequent to DMR's review and comments received on October 28, 2022. This document is available at:

[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/MND, the purpose of which was to provide a project description, identify issues and describe affected environments, analyze and disclose any potential environmental, cultural, and recreational resource impacts associated with the Plan, identify and disclose any 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 stated that Proposed Action identified in the draft EA/MND would not significantly affect the quality of the human environment and that an 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 final decision regarding authorization of the Proposed Action. The draft EA/MND and the unsigned FONSI were published for a 30-day public review period from November 16, 2022 through December 16, 2022. During that time a Virtual Public Meeting was held on November 30, 2022 and, by the end of the open public comment period, 373 public comments had been submitted to the BLM.

The ICPD held an Environmental Evaluation Committee public hearing on November 17, 2022 for review of the adequacy of the 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 CEQA contractors to revise the draft EA/MND as deemed necessary and to respond to any public comments received in order for the agencies to reach a decision on the Oro Cruz Project. Public comments received did not result in substantive revisions to the 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 approve 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 that it will not cause unnecessary or undue degradation.

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

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 Supervisors Chambers, 940 Main Street, El Centro, California, to make determinations regarding the Oro Cruz Project, including, but not limited to, the adoption of the EA/MND, resolutions adopting the Mitigated Negative Declaration for the Reclamation Plan, and resolutions 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](https://www.icpds.com/assets/hearings/3.-RP21-0001-SMP-Gold-Corp-(Oro-Cruz)-PC-PKG-09-13-23.pdf). Southern Empire continues to seek other ancillary permits at the state and county level.

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 reclamation plan 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 prepare NEPA 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 Oro Cruz Project baseline environmental and cultural studies and have provided documentation and services necessary to comply with both the NEPA and CEQA permitting requirements.
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## **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 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](http://www.smp.gold).

**On behalf of the Board of Directors of Southern Empire Resources Corp.,  
Dale Wallster, CEO and Director**

***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.***

## **Cautionary Notice on Forward-Looking Information and Forward-Looking Statements**

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 under applicable securities legislation, Southern Empire undertakes no obligation to publicly update or revise forward-looking information.

## **Cautionary Notice Regarding the Oro Cruz Project Historical Mineral Resource Estimate**

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

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

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CNW 08:20e 05-SEP-23