



**NEWS RELEASE**

**South Star Mining Corp. Announces an Offtake Agreement**

**Toronto, ON, May 10, 2021** – South Star Mining Corp. (“South Star” or “the Company”) (TSX-V: STS) (OTCQB: STSBF) is pleased to announce that it has entered into its first Memorandum of Understanding (“Agreement”) for 4,000 tonnes of natural flake graphite for a period of four years for the Santa Cruz Graphite Project (“Project”). The strategic offtake was signed on May 3, 2021 with a European industrial specialist (“Partner”) for high-quality graphite products including refractories, flame retardants, conductivity materials and lubricants. Terms and conditions of the Agreement are confidential for competitive market conditions.

Richard Pearce, President and CEO of South Star, commented: “I am extremely pleased to announce the signing of our first of many offtake agreements, and this is another important achievement in moving the Project from development into production in 2022. We are well on our way. We look forward to developing a long-term relationship with our Partner, and we are excited about having a strong presence in Europe. The Project is very scalable, and we want to be a consistent, long-term provider of high-quality graphite products for decades to come. Our OPEX is projected to be in the first quartile of costs, and we anticipate being very competitive in a broad range of sectors and markets. We continue to explore other possible offtake agreements and partnerships and look forward to updating the markets on the developments as details become available. Brick by brick we are building this Company into the first new operation in continuous commercial production in the Americas in more than a decade.”

**About South Star Mining Corp.**

South Star Mining Corp. is focused on the selective acquisition and development of near-term production projects in Brazil. South Star is driven to create fundamental value in the battery metals sector for clients and investors with real projects that have strong intrinsic financial and operating metrics, and that can be profitable throughout the resource cycle. South Star has an experienced executive team with a strong history of discovering, developing, building and operating profitable mines in Brazil.

The Santa Cruz Graphite Project, located in Southern Bahia, is the first of a series of battery metals projects that will be put into production. Brazil is the second-largest graphite-producing region in the world with more than 80 years of continuous mining. The Project has at-surface mineralization in friable materials, and successful large-scale pilot-plant testing (>30t) has been completed. The results of the testing show that approximately 65% of Cg concentrate is +80 mesh with good recoveries and 95-99% Cg. With excellent infrastructure and logistics, South Star is carrying its development plan towards Phase 1 production projected in Q4 2022, pending financing.

South Star is committed to a corporate culture, project execution plan and safe operations that embrace the highest standards of ESG principles based on transparency, stakeholder engagement, on-going education and stewardship. To learn more, please visit the Company website at <http://www.southstarmining.ca>.

On behalf of the Board,

Mr. Richard Pearce

Chief Executive Officer

**For additional information, please contact:**

**CHF Capital Markets**

Cathy Hume, CEO

**Phone:** 416-868-1079 x251

**Email:** [cathy@chfir.com](mailto:cathy@chfir.com)

Mr. Dave McMillan

Chairman

Email: [davemc@telus.net](mailto:davemc@telus.net)

**Twitter:** <https://twitter.com/southstarmining>

**Facebook:** <https://www.facebook.com/southstarmining/>

**LinkedIn:** <https://www.linkedin.com/company/south-star-mining-corp/>

**CAUTIONARY STATEMENT**

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

*This news release and the Updated Technical Report contain references to inferred resources. The Report is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.*

**FORWARD-LOOKING INFORMATION**

*The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements".*

*Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections.*