



NEWS RELEASE

South Star Battery Metals Announces Closing of Final Subscription from its Previously Announced Oversubscribed Non-Brokered Private Placement

Vancouver, Canada, August 11, 2023 – [South Star Battery Metals Corp.](#) (“South Star” or the “Company”) (TSXV: [STS](#)) (OTCQB: [STSBF](#)), is pleased to announce that further to its news release dated July 14, 2023, it has received final clearance relating to one subscriber who will become an insider of the Company upon closing of the private placement (the “**Private Placement**”) through ownership of in excess of 10 percent of the Company’s issued and outstanding common shares. Following confirmation that the subscriber’s personal information form has been reviewed and cleared by the TSX-V, the Company issued an aggregate of 7,373,884 units (“**Units**”) to the subscriber and the subscriber’s funds in the aggregate amount of \$3,908,158.52 are now available to the Company. Proceeds from the Private Placement will be used for exploration, development, construction activities, corporate G&A and general working capital requirements.

Each Unit consists of one (1) common share of the Company and one (1) common share purchase warrant (“**Warrant**”). Each Warrant entitles the holder to purchase one (1) additional common share of the Company at an exercise price of \$1.25 per share for a period of five years from the date of issue. The Warrants are subject to an acceleration clause (described in more detail below). The securities issued to the subscriber pursuant to the Private Placement will be subject to a four-month hold period ending December 12, 2023.

Acceleration Clause

The acceleration clause of the Warrants will provide that, if, during any period of ten (10) consecutive trading days between the date that is four (4) months following the closing of the Private Placement and the expiry of the Warrants, the daily volume weighted average trading price of the common shares of the Company on the TSXV (or such other stock exchange where the majority of the trading volume occurs) exceeds \$2.50 on each day, the Company may, within thirty (30) days of such an occurrence, give written notice to the holders of the Warrants that all unexercised Warrants will expire at 4:00 p.m. (Vancouver time) on the 30th day following the giving of such notice. Upon receipt of such notice, the holders of the Warrants will have thirty (30) days to exercise their Warrants and any Warrants that remain unexercised will expire.

Early Warning Disclosure

FITPART FUND ADMINISTRATION SERVICES LTD. (the “**Acquiror**”) acquired 7,373,884 Units on August 11, 2023. Each Unit is comprised of one common share and one Warrant. Each Warrant entitles the Acquiror to acquire one additional common share of the Company for a period of five years from the closing of the Private Placement at an exercise price of \$1.25 per share, subject to acceleration. The Acquiror previously held 4,500 shares, representing 0.01% of the issued and outstanding common shares of the Company. Following the completion of the foregoing transaction, the Acquiror has control over 7,378,384 Common Shares and 7,373,884 Warrants representing approximately 17.63% of the Company’s undiluted issued and outstanding Common Shares. Assuming exercise of all the Warrants, the Acquiror will hold 14,752,268 Common Shares of the Company, representing approximately 29.97% of the issued and outstanding common shares of the Company on a partially diluted basis.



The Acquiror acquired the Units through a private placement at a price of \$0.53 per Unit for aggregate consideration of \$3,908,158.52.

The Units were acquired for investment purposes. The Acquiror may acquire additional securities or dispose of securities of the Company in the future either on the open market, privately or otherwise depending on market conditions, reformulation of plans, other available investment and business opportunities and/or other relevant factors.

The disclosure respecting the Acquiror's shareholdings of the Company contained in this press release is made pursuant to Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com.

ABOUT SOUTH STAR BATTERY METALS CORP

South Star Battery Metals Corp. is a Canadian battery metals project developer focused on the selective acquisition and development of near-term production projects in the Americas. South Star's Santa Cruz Graphite Project, located in Southern Bahia, Brazil is the first of a series of industrial and 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. Santa Cruz 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 fully funded for Phase 1, and the 12-month construction and commissioning are underway. Santa Cruz will be the first new graphite production in the Americas since 1996 with Phase 1 commercial production projected in Q4 2023. Phase 2 production (25,000 tpy) is partially funded and planned for 2026, while Phase 3 (50,000 tpy) is scheduled for 2028.

South Star's second project in the development pipeline is strategically located in Alabama in the center of a developing electric vehicle, aerospace, and defense hub in the southeastern United States. The BamaStar Project is a historic mine active during World Wars I & II. A NI43-101 technical report with the maiden resource estimate has been filed on SEDAR. Trenching, phase 1 drilling, sampling, analysis, and preliminary metallurgical testing have been completed. The testing indicates a traditional crush/grind/flotation concentration circuit that achieved grades of approximately 94-97% Cg with approximately 86% recoveries. South Star is executing on its plan to create a multi-asset, diversified battery metals company with near-term operations in strategic jurisdictions. South Star trades on the TSX Venture Exchange under the symbol STS, and on the OTCQB under the symbol STSBF.

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, ongoing education, and stewardship. To learn more, please visit the Company website at <http://www.southstarbatterymetals.com>.

This news release has been reviewed and approved by Richard Pearce, P.E., a "Qualified Person" under National Instrument 43-101 and President and CEO of South Star Battery Metals Corp.



On behalf of the Board,

Mr. Richard Pearce
Chief Executive Officer

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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.

FORWARD-LOOKING INFORMATION

This press release 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 in this press release include, but are not limited to, statements regarding: moving Santa Cruz into production and scaling operations as well as advancing the Alabama project; and the Company's plans and expectations.

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.