



NEWS RELEASE

South Star Battery Metals Announces Initial 2023 Drilling Program Results for the BamaStar Graphite Project in Coosa County Alabama and NI43-101 Preliminary Economic Assessment Study Update.

Vancouver, Canada, August 15, 2023 – [South Star Battery Metals Corp.](#) (“South Star” or the “Company”) (TSXV: [STS](#)) (OTCQB: [STSBF](#)), is pleased to announce that it is near completion of its 2023 drilling campaign on its BamaStar Graphite Project in Coosa County, Alabama. The program is designed to test continuity and limits of mineralization in support the upcoming NI43-101 Preliminary Economic Assessment (PEA), scheduled for the end of Q1 2024. To date, 11 holes totaling approximately 1,300 meters have been completed and there are 3 to 4 additional holes planned along strike. The drilling campaign is expected to be completed in August. All completed holes have intercepted significant intervals of graphite mineralization. Sample assays are underway at ActLab’s facility in Ontario, Canada and are expected to be completed by September. The Company is also finalizing negotiations with three international engineering/consulting companies for the PEA, and the contract is expected to be approved by the board and released in August.

During the drilling, several potentially promising zones were intersected as can be seen in the below photograph (**Figure 1**).



Figure 1: Hole CMD 23-017 Core with Graphite Mineralization with Approximately 3.4% Grade (Cg)

Initial notable assay results have confirmed the prospectivity of several significant intersections as seen in **Table 1** below based on a 1% cutoff grade.

| Hole ID | From | To | Interval | Grade Cg |
|----------|-------|--------|----------|----------|
| CMD23013 | 0m | 8m | 8m | 2.54% |
| CMD23014 | 0m | 23m | 23m | 2.17% |
| CMD23015 | 9m | 62.3m | 53.3m | 2.51% |
| CMD23016 | 0m | 60.9 | 60.9m | 2.30% |
| CMD23016 | 70.8m | 79m | 8.1m | 2.88% |
| CMD23017 | 3.5m | 36.5m | 33m | 3.07% |
| CMD23017 | 73.8 | 119.6m | 45.8m | 2.34% |
| CMD23018 | 0m | 63m | 63m | 2.42% |

Table 1: 2023 Campaign Significant Intersections in the First Six holes Drilled at the BamaStar Project.

Richard Pearce, CEO of South Star said, *“Once again, preliminary results are extremely encouraging with all holes having consistent grade and significant mineralized intervals at surface or near surface. It’s exciting to see the continued advance of the BamaStar project as we close in our goals of completing the PEA by March 2024. The PEA will present our 5- to 7-year strategic plan of phased production with two mines producing high-quality concentrates, and a vertically integrated value-add plant producing CSPG and other high value products in the southeast corridor of the US. We are also on schedule to complete our Feasibility Study for Santa Cruz Mine incorporating Phase 3 (50,000 tpa of concentrates) by end of 2024. Once we complete our PEA in Q1 of 2024, we will advance straight into the Feasibility Study, which is scheduled to be completed by the end of 2025. Our goals are to have two mines producing a total of 100,000 tpa of concentrates, and 50-70,000 tpa of vertically integrated graphite production including active anode materials and other critical graphite products in the US in 2027.”*

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 tpa) is partially funded and planned for 2026, while Phase 3 (50,000 tpa) 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

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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.