



## South Star Battery Metals Announces Closing of Tranche 2 of Oversubscribed, Non-Brokered Private Placement and Two-Year Extension of the BamaStar Landowners/Mineral Rights Agreement

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Vancouver, Canada, March 05, 2024 – [South Star Battery Metals Corp.](#) (“South Star” or the “Company”) (TSXV: [STS](#)) (OTCQB: [STSBF](#)), is pleased to announce that it has completed the successful closing of the second and final tranche of its oversubscribed, upsized non-brokered private placement (the “Private Placement”) by issuing 2,485,209 Shares priced at C\$0.72 per Share common shares (the “Shares”), for an additional gross proceeds of C\$1,789,352. Proceeds from the Private Placement will be used for accelerating exploration, development, construction activities, as well as corporate G&A and general working capital requirements.

The Private Placement consists of issuing a total of 9,301,532 Shares priced at C\$0.72 per Share for a total gross proceeds of C\$6,697,119 (Refer to the Company’s Press Releases dated [December 14, 2023](#), [January 26, 2024](#) and [February 13, 2024](#) ). The Shares issued pursuant to the Private Placement will be subject to a four-month hold period. Closing of the Private Placement is subject to customary closing conditions, including, but not limited to, the receipt of all necessary approvals, including the final approval of the TSX Venture Exchange. In connection with the second tranche, the Company paid \$46,250 in cash and issued 44,452 Shares in equity as finder’s fees.

A director and an officer of the Company participated in the Private Placement for an aggregate amount of \$57,600. The transaction with the officer constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is relying on the exemptions under section 5.5(a) and section 5.7(1)(a) from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the Units issued to the related party and the consideration paid by the related party under the Private Placement does not exceed 25% of Company’s market capitalization, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Private Placement, as the details of the participation by related party of the Company were not settled until shortly prior to closing of the Private Placement.

In addition, South Star and its BamaStar project partners Hexagon and US Critical Minerals have extended the current existing mineral leases and surface agreements on the Project for an additional two-year period beyond the initial five-year term of the original agreements (Refer to the Company’s [Press Release dated December 07, 2021](#)). The earn-in option agreement remains unchanged.

Richard Pearce, CEO of South Star, commented, “*We are very excited to get the oversubscribed, private placement successfully closed and be on very solid financial footing, while also executing on our strategy of near-term production with scalable graphite assets in Tier 1 jurisdictions at a critical time when the global supply chains require more graphite products sourced outside of China. We are aiming to produce at Santa Cruz around 5,000 tonnes of graphite concentrates in 2024 and 13,000 tonnes in 2025. We are getting ready to kickoff our National Instrument 43-101 Preliminary Economic Assessment for BamaStar, including the value-add plant in the southeast*”



*corridor of U.S., which we are planning to have preliminary results completed in approximately three months. We had excellent meetings recently with the Economic Development Partnership of Alabama, as well as the Louisiana Economic Development Agency. 2024 is going to be an exciting year for South Star as we become the first new graphite producer in the Americas this century.”*

#### **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 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 Q1 2024. 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**

*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 relating to the successful closing of the Private Placement and anticipated timing thereof and the intended use of proceeds and 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.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*