FORM 51-102F3 - MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

South Star Mining Corp.
c/o Suite 1200 - 750 West Pender Street
Vancouver, B.C. V6C 2T8

2. DATE OF MATERIAL CHANGE

February 28, 2018

3. NEWS RELEASE

News release dated February 28, 2018 was disseminated via Stockwatch.

4. SUMMARY OF MATERIAL CHANGE

South Star Mining Corp. announced a brokered subscription receipt financing in connection with the acquisition of a 100% interest in Santa-Cruz Graphite Project.

5. FULL DESCRIPTION OF MATERIAL CHANGE

South Star Mining Corp. announced that, in connection with the previous announcement that South Star has entered into a definitive agreement (the "Definitive Agreement") to acquire a 100% interest in the Santa-Cruz Graphite Project (the "Transaction") with Brasil Graphite Corp. ("Brasil Graphite"), South Star intends complete a private placement of subscription receipts (each, a "Subscription Receipt") to raise gross proceeds of a minimum of C$5,000,000 and a maximum of C$8,000,000 (the "Private Placement").

South Star is also pleased to announce that it has entered into an agreement with a syndicate of agents led by Echelon Wealth Partners Inc. (the "Lead Agent"), and including Haywood Securities Inc., PI Financial Corp. and Eight Capital Inc. (collectively referred to as, the "Agents") to sell, on a commercially reasonable efforts basis, a minimum of 11,111,111 Subscription Receipts and a maximum of 17,777,777 Subscription Receipts at a price of C$0.45 per Subscription Receipt (the "Offering Price"). The Private Placement is expected to close on or about March 29, 2018 (the "Closing Date").

Each Subscription Receipt shall be automatically converted, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one unit of the Company (each a "Unit" and collectively the "Units") upon receipt by the escrow agent, prior to the date that is three months from the Closing Date (the "Escrow Deadline") of a release notice from the Company and the Lead Agent, on behalf of the Agents, confirming (collectively, the "Escrow Release Conditions"): (a) the completion, satisfaction or waiver of all conditions precedent to the Transaction in accordance with the Definitive Agreement, to the satisfaction of the Agents; (b) the receipt of all required shareholder and regulatory approvals, including, without limitation, the conditional approval of the TSX Venture Exchange for the listing of the Common Shares and the Transaction; (c) receipt by the Agents of an opinion of counsel of the Company that upon the conversion of the Subscription Receipts and completion of the Transaction, the Common Shares issued as part of the Units, will not be subject to any statutory or other hold period in Canada which extends beyond 4 months and one day after the Closing Date; and (d) the representations and warranties of the Company contained in an agency agreement to be entered into on the Closing Date to be true and accurate in all material respects, as if made on and as of the escrow release date.

Each Unit will consist of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder thereof to purchase one common share of the Company for a period of 24 months from the date of issuance at a price of C$0.75 per common share.

The Company has agreed to: (i) pay the Agents a cash commission equal to 7.5% of the gross proceeds of the Private Placement, (ii) issue to the Agents such number of share purchase warrants (each, an “Agents’ Warrant”) as is equal to 7.5% of the number of Subscription Receipts sold under the Offering, with each Agents’ Warrant entitling the holder to acquire one Unit at the Offering Price until the date that is 24 months from the Closing Date.

The gross proceeds of the Private Placement, less the Agents’ expenses and 60% of the Agents’ fees (the “Escrowed Funds”), shall be deposited in escrow on the Closing Date. The Escrowed Funds (less amounts payable by the Company to the Agents) shall be released from escrow by the Escrow Agent to the Company upon the completion or irrevocable waiver or satisfaction of the Escrow Release Conditions. If (i) the Escrow Release Conditions are not satisfied on or before the Escrow Deadline, or (ii) prior to the Escrow Deadline the Company advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds (plus accrued interest earned thereon) shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds (plus accrued interest) are not sufficient to refund the aggregate Issue Price (plus accrued interest) paid by the holders of the Subscription Receipts, the Company will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

South Star intends to use the net proceeds of the Private Placement for the acquisition of the Santa Cruz Graphite Project, drilling, general corporate and working capital purposes.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

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9. DATE OF REPORT

March 15, 2018