

NEWS RELEASE

South Star Mining Approves Budget and Initiates Drilling and Testing Programs at Santa Cruz

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July 30, 2018 – Vancouver, B.C. - South Star Mining Corp. (“South Star” or the “Company”) (TSXV: STS) is pleased to announce that the Company’s Board of Directors has approved its budget for the next 12 months and key activities are starting up at the Santa Cruz Graphite Project in Bahia, Brazil. The approved budget includes drilling, engineering, testing and environmental activities focused primarily on gathering the necessary information to fulfill the requirements for a trial mining license. Under the Brazilian Mining Code, a trial mining license, or Guia de Utilizacao, may be granted for the production of up to 5000 tons of graphite per year per exploration license.

The initial drill program calls for 2,000 meters of drilling targeted to enhance the size and quality of the existing resource base as well as contributing to a more detailed mine plan to support the trial mining license. Field preparations will begin in August with drilling scheduled to start in September. The 43-101 report dated Feb 6, 2018, defined indicated resources of 14.99 million tons at 2.70% Cg and inferred resources of 3.57 million tons at 2.90% Cg (defined on approximately 1% of its acreage). The resource at Santa Cruz is at or near surface with the Feb. 6 PEA projecting a LOM strip ratio of 1.27 (in many areas the strip ratio is well below 1). Planned engineering work includes the generation of representative tailings samples for characterization and testing of filtered tailings and their suitability for co-disposal. The ability to economically generate dry stack tailings (and thereby eliminate the need for a tailings storage facility (TSF)) will have a significant impact on the Company’s EIA and streamlining of the permitting path to both the trial mining and full installation/operating license (LI/LO).

Additional planned test work is designed to increase the Company’s confidence in the suitability of Santa Cruz concentrates for the lithium ion battery market and other newly emerging graphite technologies. Samples of concentrates generated in South Star’s previous 30-ton pilot plant run have already been dispatched to several independent labs and potential purchasers.

Company CEO Eric Allison stated “Having completed the budget process and developed our action plan for the next 12 months, the Company is poised to begin delivering further positive results from our Santa Cruz project. While our focus will be on obtaining the trial mining license as quickly as possible, it is important to remember that all of our planned work will contribute to the Company’s ultimate goal of completing a full feasibility study and obtaining full installation and operating licenses. I look forward to reporting our results to the market in the coming months”

The Company also announces that it has issued 2.1 million 5-year options at C\$0.45 to directors, officers and key consultants.

Richard L. Pearce is a Qualified Person as defined by National Instrument 43-101 and is responsible for the preparation and approval of the technical information disclosed in this news release.

ABOUT SOUTH STAR MINING CORP.

South Star Mining Corp. is focused on the acquisition and development of near-term mine production projects in Brazil to maximize shareholder value. To learn more, please visit the Company website at www.southstarmining.com.

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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.

This news release and the PEA contain references to inferred resources. The PEA 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. There is no certainty that the PEA will be realized.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. Generally, any statements that are not historical facts may contain forward-looking information, and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or indicates that certain actions, events or results "may", "could", "would", "might" or "will be" taken, "occur" or "be achieved". Although the Company believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements.