

FOR IMMEDIATE RELEASE

The United States Department of Defense Awards Multi-Million-Dollar Grant to South Star Battery Metals to Support the Accelerated Expansion of U.S. Domestic Battery Graphite Production Within the Contiguous United States of America

Vancouver, Canada, November 29, 2023 – [South Star Battery Metals Corp.](#) (“South Star” or the “Company”) (TSXV: [STS](#)) (OTCQB: [STSBF](#)), is pleased to announce that it has received a US\$3.2 million grant (equaling approximately CA\$4.4 million) from the Department of Defense (“DoD”) under the Defense Production Act (“DPA”) Title III authorities utilizing funds appropriated by the Inflation Reduction Act, to advance a National Instrument 43-101 Feasibility Study (“FS”) for the BamaStar Graphite Project, South Star’s flagship graphite project in the USA, located in central Alabama. The FS will also incorporate a vertically integrated lithium-ion (“Li-ion”) battery-graphite anode manufacturing facility in the southeast corridor of the United States. The FS will cover all aspects of the planned BamaStar graphite mine from upstream mining operations to the downstream manufacturing of finished commercial battery-ready graphite products, while detailing all important and essential related information, including operational, financial, commercial graphite product performance data, and environmental, social and governance criteria. South Star’s planned battery-graphite products will include a broad range of products from coated spherical purified graphite (“CSPG”) active anode materials for Li-ion battery applications to conductivity-enhancement products for use in all major primary (i.e., non-rechargeable) and secondary (i.e., rechargeable) battery chemistries.

South Star is deeply committed to rapidly accelerating BamaStar’s downstream commercial battery-graphite manufacturing facility in the southeast corridor of the U.S. Given the extraordinary global demand for Li-ion battery-graphite anode materials and due to the complete lack of U.S. manufacturing capacity, the Company’s management believes in the criticality of addressing the United States’ urgent need to have integrated, safe-sourced, domestic graphite production capability at commercial scale in the most efficient, cost-effective and shortest timeframe possible. The company views the present challenging macroeconomic and geopolitical environments as a significant and increasing risk to the U.S. and its allies, in terms of both national and energy security.

South Star’s Santa Cruz Graphite Mine (“**Santa Cruz**”) in Brazil is currently finalizing Phase-1 construction and will commence commercial concentrate production in January of 2024. While the BamaStar graphite mine is being developed, South Star intends to initially commence commercial operations at the Company’s planned U.S. downstream battery-graphite manufacturing facility utilizing premium graphite concentrate supplied from Santa Cruz. In addition to the assurance of security of supply of graphite concentrate to feed the U.S. downstream plant, the strategic and enduring competitive advantages of this integrated approach mitigates the risks of probable long-term supply/demand imbalance and probable price increases globally for graphite concentrate beginning in the near future. This integrated approach of a diversified portfolio of scalable facilities allows for an accelerated



U.S. downstream production of critical battery grade anode materials, while BamaStar is developed and built in parallel. South Star intends for the Company's U.S. downstream facilities to scale over time and be ready to process the entirety of the BamaStar graphite mine's concentrate feedstock.

The DoD will contribute funding to the BamaStar FS on a cost-share basis. As part of the agreement, the DoD will provide US\$3,179,999 and South Star will contribute US\$3,772,499 in matching funding on a cost-share basis over a period of 18 months, and after the successful delivery by the Company of a National Instrument 43-101 Preliminary Economic Assessment, which is scheduled for completion at the end of Q1 2024.

Graphite is classified by the US Department of Energy as critical and high risk in both the short and medium term. It is an essential material for many applications, including transportation, communications, defense, microprocessors, high-tech, graphene, etc. The U.S. currently produces no graphite concentrates or downstream battery-grade anode materials.

"South Star is strategically bringing the first new graphite production in the Americas online in January 2024 at Santa Cruz. Provenance of material and security of supply of graphite and other critical metals is increasingly important in the current global macro and geopolitical environment. South Star is uniquely positioned to quickly bring commercial production to the markets with a diversified portfolio of near-term, integrated graphite production," stated South Star President and Chief Executive Officer, Richard Pearce.

Mr. Pearce continued, *"South Star has scalable assets in Tier-1, stable mining jurisdictions and an experienced management team of builders and operators to deliver on commercial production. Our goals are to be safely and responsibly producing 100,000 tonnes/year of graphite concentrates and 70,000 tonnes/year of value-add material in phases over the next 5-7 years. We have projects with great existing logistics and infrastructure that will allow us to have relatively modest capital intensity while ranking in the first quartile of operational costs so that we can be competitive throughout the inevitable economic highs and lows of commodity cycles. We sincerely thank the U.S. DoD for its support and confidence in our approach to a critical national defense requirement."*

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 January 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

For additional information, please contact:

South Star Investor Relations

Email: invest@southstarbatterymetals.com

[+1 \(604\) 706-0212](tel:+16047060212)

Twitter: <https://twitter.com/southstarbm>

Facebook: <https://www.facebook.com/southstarbatterymetals>

LinkedIn: <https://www.linkedin.com/company/southstarbatterymetals/>

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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.