South Star Announces Successful Product Qualification and 100-Tonne Sale of Natural Flake Graphite Concentrate to U.S. Customer

VANCOUVER, BRITISH COLUMBIA — August 1, 2024 — SOUTH STAR BATTERY METALS CORP. ("**South Star**" or the "**Company**") (TSXV: **STS**) (OTCQB: **STSBF**) is pleased to announce that further to the Company's **May 6, 2024** announcement (***"South Star Battery Metals Announces the First Sale of Natural Flake Graphite Concentrate from its Santa Cruz Graphite Mine in Brazil"***), South Star has executed another binding commercial sales agreement (the "**Agreement**") for the initial purchase of **100 tonnes** (more than **220,000 pounds**) of graphite concentrate from the Company's flagship Santa Cruz Graphite Mine ("**Santa Cruz**"), located in northeastern Brazil's Bahia state. As announced on **July 29, 2024** (***"South Star Announces Substantial Completion and Commissioning of the Santa Cruz Phase 1 Graphite Mine in Brazil"***), the commissioning of the Santa Cruz Phase-1 Plant is underway. Once commercial production commences, Santa Cruz will be the first new graphite mine in the Americas this century. At steady-state, the Santa Cruz Phase-1 Plant will produce approximately **1,000 tonnes per month/12,000 tonnes per annum**. South Star plans to fulfill initial graphite purchase orders in Q4 2024.

For competitive reasons, the Client's identity and commercial details of the Agreement will remain confidential.

South Star President and CEO **Richard Pearce**, commented, *"We are extremely pleased to continue to develop long-term partnerships in the U.S. and execute on our go-to-market sales strategy. This latest sale Agreement was executed after our Santa Cruz graphite was subjected to two rigorous, extensive characterization, testing and qualification programs."*

"The Client contacted South Star earlier this year to evaluate our graphite, specifically, as a potential long-term feedstock for several applications. The Client tested and rejected other suppliers' graphite concentrates as they failed to meet certain critical specifications. This sale is a significant achievement for South Star, underscoring our Brazilian graphite's exceptional quality and performance."

South Star's immediate go-to-market commercial strategy is to produce high-quality graphite concentrates for various industrial applications and sectors. Concurrently, technical product-development programs are continuing to advance the Company's midstream and downstream product suite for value-added applications — *specifically, battery-graphite products, including specialty Coated Spherical Purified Graphite ("**CSPG**" or "**Active Anode Material**") for rechargeable lithium-ion ("**Li-ion**") battery applications and conductivity-enhancement products applicable to all commercial primary and secondary battery chemistries* –– with commercial sales planned for Q4 2026.

The Company looks forward to updating the market on the progress of developments with other potential customers as soon as details are finalized.

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ABOUT SOUTH STAR BATTERY METALS CORP.

South Star Battery Metals Corp. ("**South Star**") 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 (> 30 tonnes) has been completed. The results of the testing show that approximately 65% of graphite concentrate is +80 mesh with good recoveries and 95%-99% graphitic carbon (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 Q3 2024. Phase 2 production (25,000 tonnes / year) is partially funded and planned for 2026, while Phase 3 (50,000 tonnes / year) 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 includes a historic mine active during the First and Second World Wars. An NI 43-101 guided 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 included 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 South Star Board of Directors,

(s) **MR. RICHARD L. PEARCE, Jr.**, P.E.
President, Chief Executive Officer and Executive Director

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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 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, 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.