



South Star Mining Submits Trial Mining Licensing Documents for Pilot Plant Operations

Toronto, ON, January 13, 2020 – South Star Mining Corp. ('South Star' or 'the Company') (TSX-V: STS) (OTC: STSBF) is pleased to announce that it has completed and formally submitted the trial mining licensing documents (Guia de Utilização - GU) to the National Mining Agency (ANM) for the construction and operations of a 5,000 tonne/year (tpy) pilot plant facility at the Santa Cruz Graphite Project ('the Project'). The goal of the GU and pilot plant operations is to prove the economic and technical viability of the Project at a small scale, while also allowing the Company to produce and qualify large scale samples (1-20t) in the marketplace.

The GU will allow the Company to test and optimize the flowsheet, develop the key commercial relationships and optimize the production of products demanded in the marketplace, given the inherent, high-quality nature of the concentrates produced to date.

Richard Pearce, President and CEO of South Star, commented: "We have now submitted all the required permitting and licensing documents for the Phase 1 production facilities. We are pleased to have completed another big step forward in our march towards production. The pilot plant operations will provide short-term cash flow from operations and allow us to qualify bulk samples in the marketplace and establish future, firm offtake agreements. We have been working diligently to develop commercial relationships with key players, both in Brazil and internationally, and have received excellent feedback on our sample materials shipped to date. We will monitor closely the permitting and licensing process and will be using the first half of 2020 to get the financing in place to construct and commission the pilot plant facilities. Construction is expected to take approximately 8-10 months. We are so excited to be moving past project development and focusing all our efforts and attention on near-term construction, commissioning and production."

The 5,000 tpy concentrate pilot plant is Phase 1 of the proposed path to production and includes a small-pit pilot processing plant with filtered tails technology, waste storage facility for co-disposal of wasterock and filtered tails and civil infrastructure. The Phase 1 operations will then determine the Phase 2 scaling up operations. The Phase 2 production facility will be similar in layout and process technology but will be able to produce 25,000 tpy of high-quality concentrate.

The upcoming **Prefeasibility Study** (PFS) results, expected in January of 2020, will present the detailed design of the Phase 1 facilities along with the PFS level design for the Phase 2 facilities and the maiden reserve estimate.

About South Star Mining Corp.

South Star Mining Corp. is focused on the selective acquisition and development of near-term mine production projects in Brazil to maximize shareholder value. STS has an experienced executive team with a strong history of discovering, developing, building and operating profitable mines in Brazil.

The Santa Cruz Graphite Project is located in Southern Bahia in the third largest graphite producing region in the world with over 70 years of continuous mining. The Project has at surface mineralization in friable materials, and successful large-scale pilot plant testing (>30t) has been completed. The results of the testing

show approximately 65% of Cg concentrate is +80 mesh with good recoveries and 95-99% Cg. With excellent infrastructure and logistics, South Star is carrying its development plan towards production projected at the end of 2020.

To learn more, please visit the Company website at <http://www.southstarmining.ca>.

On behalf of the Board,

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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 Updated Technical Report contain references to inferred resources. The Report 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.

FORWARD-LOOKING INFORMATION

The information contained herein 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 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 gold price and other 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.