



South Star Mining Announces Approval of Environmental Permit for Pilot Plant Operations for Santa Cruz Graphite Project

Toronto, ON, March 3, 2020 – South Star Mining Corp. ('South Star' or 'the Company') (TSX-V: STS) (OTC: STSBF) is pleased to announce the approval of the simplified environmental license for the Phase 1 – Pilot Plant operations for its 100%-owned Santa Cruz Graphite Project ("Project") located in Southern Bahia, Brazil. The license is valid for 1 year and is renewable on an annual basis.

The results of the PFS were announced on February 5th. Phase 1 consists of a pilot plant with the capacity to produce 5,000t of concentrate per year, and the simple layout includes a small open-pit processing plant with filtered tails technology, waste storage facility for co-disposal of waste rock and filtered tails and civil infrastructure. The goal of the Phase 1 operations is 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. Detailed engineering of the pilot plant was completed as part of the PFS.

Phase 2 is a larger plant with similar layout and technology, but with a capacity of 25,000t of concentrate per year. It's important to highlight that both Phases include the use of filtered tails technology and co-disposal of tailings with waste rock to avoid the requirement of a Tailings Storage Facility. This is essential in facilitating the on-going permitting requirements and decreasing the environmental footprint of the facility.

Richard Pearce, President and CEO of South Star, commented: "I am proud to be making this announcement and want to extend a special thank-you to our team, our consultants and the Municipal Environmental Permitting Agency for Itabela, Bahia for all their hard work and effort throughout this process. Their dedication and professionalism in handling this critical permitting process in a responsible, efficient and transparent manner were essential in the successful outcome. We look forward to working with the local communities, stakeholders and regulators as we move forward towards production.

Pilot plant operations with a very modest CAPEX are expected to provide short-term cash flow 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 continue to monitor closely the trial mining 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. Phase 1 construction is expected to take approximately 8-10 months. We are excited to be moving past project development and focusing all our efforts and attention on near-term construction, commissioning and production."

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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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.