



South Star Mining Announces Approval of the Mining License for the Santa Cruz Graphite Project

Toronto, ON, January 6, 2021 – South Star Mining Corp. (‘South Star’ or ‘the Company’) (TSX-V: STS) (OTC: STSBF) is pleased to announce the approval of trial mining license for a period of 3 years for the Phase 1 Pilot Plant Operations (5,000 tpy of concentrate) for the Santa Cruz Graphite Project (‘the Project’) in Bahia, Brazil. As announced on October 5, 2020, the environmental license for Phase 1 was renewed for a period of 4 years in October of 2020. With the approval of the mining license, the Project is now fully licensed and can proceed to the Phase 1 construction, commissioning and operations.

The Company is advancing with conversations regarding project financing, and as previously announced in October of 2020, the Brazilian Development Bank (BNB) has pre-approved C\$7.5M of debt financing. BNB is currently reviewing the technical documents and advancing with the Project credit analysis.

South Star CEO Richard Pearce commented: “We are extremely excited about the approval of the final permitting hurdle for the Phase 1 operations of the Project, and we continue the drive towards 2021 production. We are now in a position to advance towards construction, and the battery metals market appears to be further improving with increasing demand for high-quality concentrate worldwide. South Star can become a provider of high-quality, large-flake Brazilian graphite concentrate for many years ahead.

With the Phase 1 permitting requirements behind us, our next goals will be to focus on arranging an off-take agreement and securing the financing package for the Project construction. The final design package for construction along with selection of the firm responsible for the Engineering, Procurement and Construction Management (EPCM) is estimated to be finalized in March of 2021. I would like to thank our current shareholders and all the Project stakeholders for their continued support and look forward to an exciting 2021.”

About South Star Mining Corp.

South Star Mining Corp. (TSX.V: STS) 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, 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 planning the commissioning of the 5,000 tonne per year pilot plant for the end of 2021.

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

On behalf of the Board,

Mr. Richard Pearce
Chief Executive Officer

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FORWARD-LOOKING INFORMATION

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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.