



NEWS RELEASE

South Star Mining Announces Environmental Permitting Update for 25,000 tpy Phase 2 Plant Operations for the Santa Cruz Graphite Project

Toronto, ON, March 29, 2021 – South Star Mining Corp. (‘South Star’ or ‘the Company’) (TSX-V: STS) (OTCQB: STSBF) is pleased to announce that it has received the environmental permitting terms of reference for the 25,000 tonne per year (“tpy”) Phase 2 plant operations from the municipality of Itabela, Bahia (“Itabela”). The Phase 2 environmental permitting process for the Santa Cruz Graphite Project (“Project”) will follow an approach and level of studies similar to that of Phase 1.

The Phase 1 operations for the 5,000 tpy pilot plant operations are fully licensed, and the Company is preparing to start construction in August 2021 with commercial production targeted for Q4 2022. Phase 2 operations will represent a larger scale concentration plant currently planned to produce between 25,000 to 30,000 tpy of concentrate. The sizing of Phase 2 plant could be increased depending on the successes of the Phase 1 operations, on-going development of commercial relationships, and market conditions. Additional details on the Phase 2 operations are available in in the Press Release dated February 5, 2020 and in the NI43-101 Prefeasibility Report issued in March 2020.

The Phase 2 environmental work program will kick off in April 2021 and should include an approximate 7-8-month study and documentation phase to prepare all the required reports, followed by submittal to Itabela for review and comment. For reference, the Phase 1 studies were submitted in August 2019, and the environmental permit was approved and published in March 2020.

Richard Pearce, President and CEO of South Star, commented: “I am pleased to announce that the Board of Directors has authorized the acceleration of the start of the environmental permitting for the Phase 2 operations more than a year ahead of the original schedule. We will start the work shortly and plan to submit the documents for review and comments by December 2021. ESG and environmental compliance are core Company values. We will work diligently in partnership with the permitting and licensing agencies to complete all the required studies and ensure a smooth licensing process. Once again, I would like to thank our team for their hard work and the Municipality of Itabela for their ongoing support and effort in handling our submittals and reviewing the documentation in a timely, professional manner. We are swiftly moving into the construction and production phases as we intend to become the first new graphite mine in continuous commercial production in the Americas in over a decade, and one of the very few new operations worldwide. This accelerated permitting effort has the potential to significantly advance our roadmap for Phase 2 production.”

About South Star Mining Corp.

South Star Mining Corp. is focused on the selective acquisition and development of near-term production projects in Brazil. STS is driven to create fundamental value in the battery metals sector for clients and investors with real projects that have strong intrinsic financial and operating metrics, and that can be profitable throughout the resource cycle. 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, located in Southern Bahia, is the first of a series of battery metals projects that will be put into production. Brazil is the second largest graphite producing region in the world with over 80 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 that 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 Phase 1 production projected in Q4 2022, pending financing. To learn more, please visit the Company website at <http://www.southstarmining.ca>.

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 Mining.

On behalf of the Board,

Mr. Richard Pearce
Chief Executive Officer

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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.