



TSXV: **STS** | OTCQB: **STSBF**



**Santa Cruz
Graphite Project**
Road To Production

Corporate Presentation: **Spring 2020**

★ Cautionary and Forward Looking Statements



This presentation includes certain statements that constitute “forward-looking statements”, and “forward-looking information” within the meaning of applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to as “forward-looking statements”, unless otherwise stated). These statements appear in a number of places in this presentation and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this presentation words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the Company’s future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results.

To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to known and unknown risks and uncertainties, including those risks and uncertainties outlined under “Risk Factors” in our most recent AIF, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To

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Cautionary Note: This PEA is considered by STS to meet the requirements of a Preliminary Economic Assessment as defined by Canadian Securities Administrators' National Instrument 43-101 (“NI 43-101”) Standards of Disclosure for Mineral Projects. The economic analysis contained in the technical report is based, in part, on Inferred Resources (as defined in NI 43-101) and is preliminary in nature. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves (as defined in NI 43-101). Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that the reserve's development, production and economic forecasts on which the PEA is based will be realized.

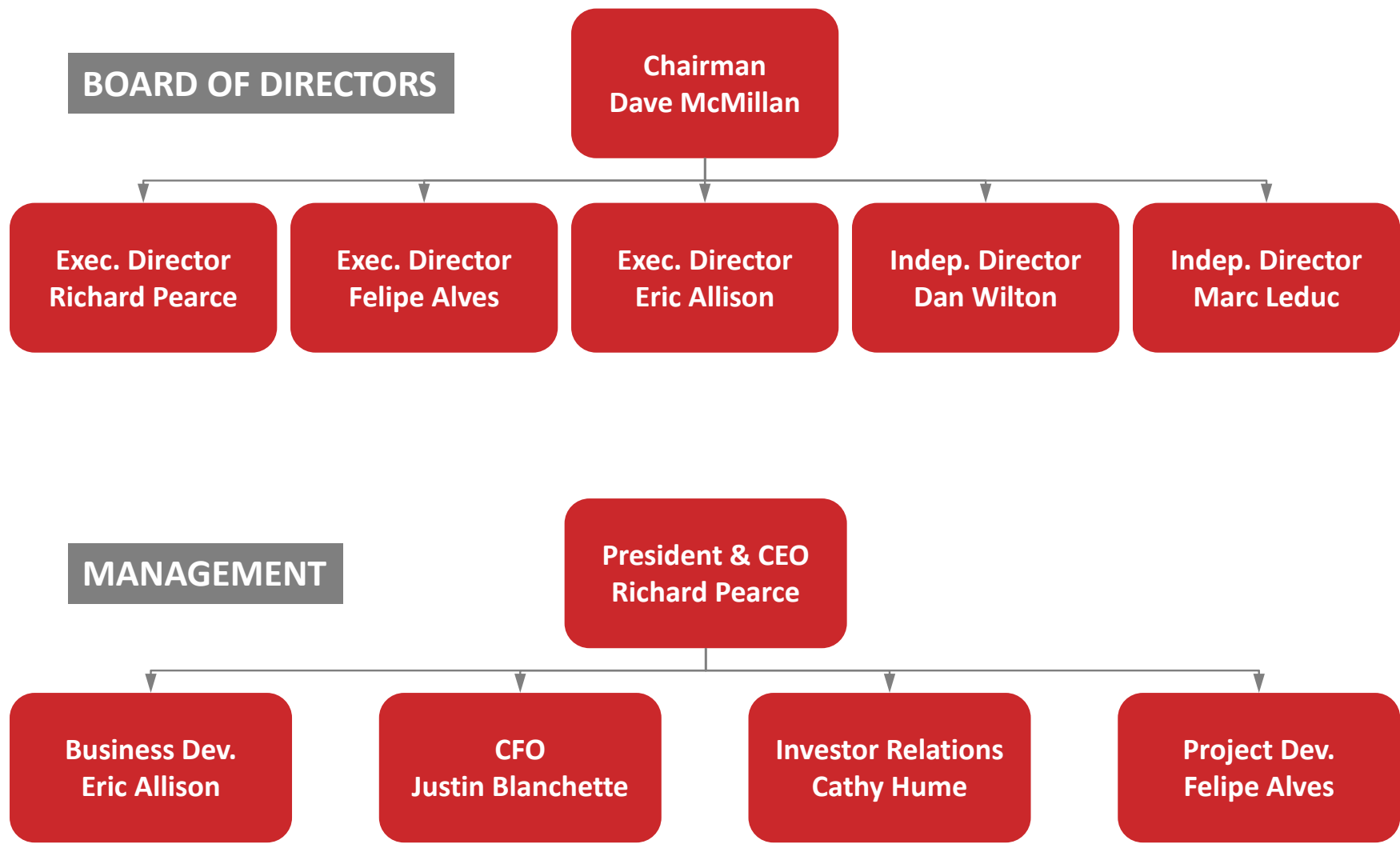
Corporate Structure



- South Star Mining Corp is a public company traded on the Toronto Venture Stock Exchange under the symbol TSX: STS and the OTCQB under symbol STSBF.
- Brasil Graphite Corp. is a wholly owned subsidiary incorporated in the Cayman Islands.
- Brasil Grafite Mineração Ltda. (“BGSA”) is a wholly owned exploration and development company focused on developing the Santa Cruz Graphite Project (“Project”) in the state of Bahia, Brazil.
- BGSA owns 100% of the Santa Cruz Graphite Project.



Leadership Team



★ South Star Mining Highlights



Key Company Highlights

- Management team with proven track record taking projects to production in Brazil
- 42.9 million shares outstanding, 72.6 million fully diluted
- Management and Directors aligned with shareholders
 - ✓ 25% share ownership
- Company Market Capitalization only 2.5% of project NPV
- Two-fold track for company project
 - ✓ Project located in mature, prolific graphite producing district
 - ✓ Brasil has large internal demand for graphite
 - ✓ Value added graphite products for high-tech battery market



Industrial graphite

US\$500 to US\$2500 per tonne

Battery grade graphite

US\$3400 to US\$4400 per tonne

✦ Santa Cruz Graphite Project



Key Project Highlights

- **Santa Cruz project situated in third largest** flake graphite producing district in the world
 - 14% of global production in 2018
 - 70 years of continuous production
 - In-country demand of 90,000 tpy
- Large and extra-large graphite flakes
 - ***The larger the flake size, the higher the price!***

GEOLOGY, EXPLORATION & RESOURCES

- Approximately 9,500m of drilling plus trenching and sampling
- NI 43-101 PEA and updated Resource Estimate completed
- At-surface mineralization
- 13 mining claims covering 13,000 ha
- Large geologic upside
 - <5% of area explored
 - Open at depth and along strike
 - 10-15 targets identified & drill ready

METALLURGY & PROCESS

- Completed bench scale and 30 tonne pilot plant testing programs
- Produced quality concentrates and marketable flake sizes - 95-99% Cg
- Excellent large flake ore - approximately 65% of ore > 80 Mesh
- Additional tests yielded high purity, battery quality products
- High purity, spherical and expandable - tests underway
- Positive filtered tails testing completed and will be incorporated into PFS



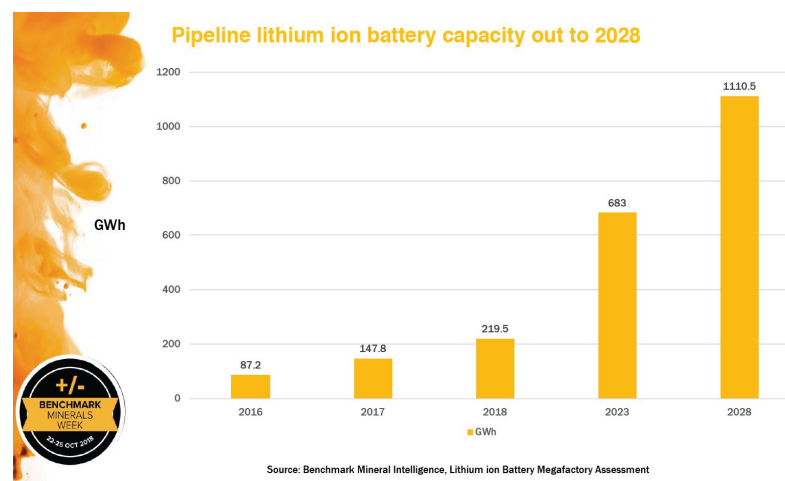
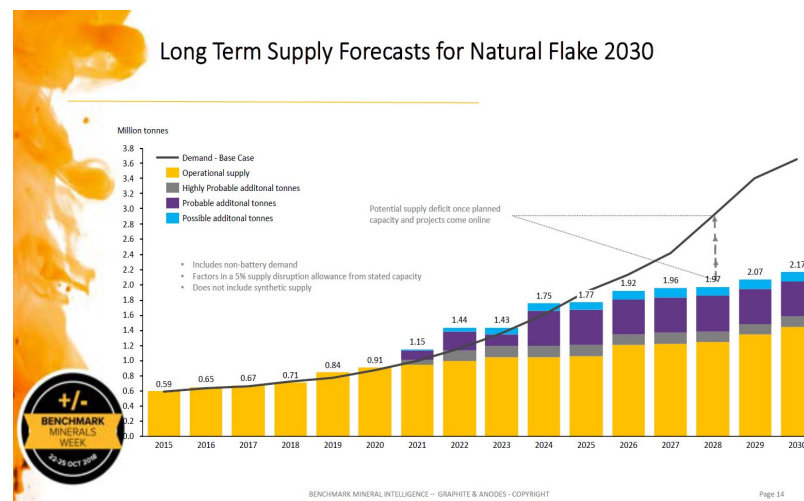
Santa Cruz Graphite Project



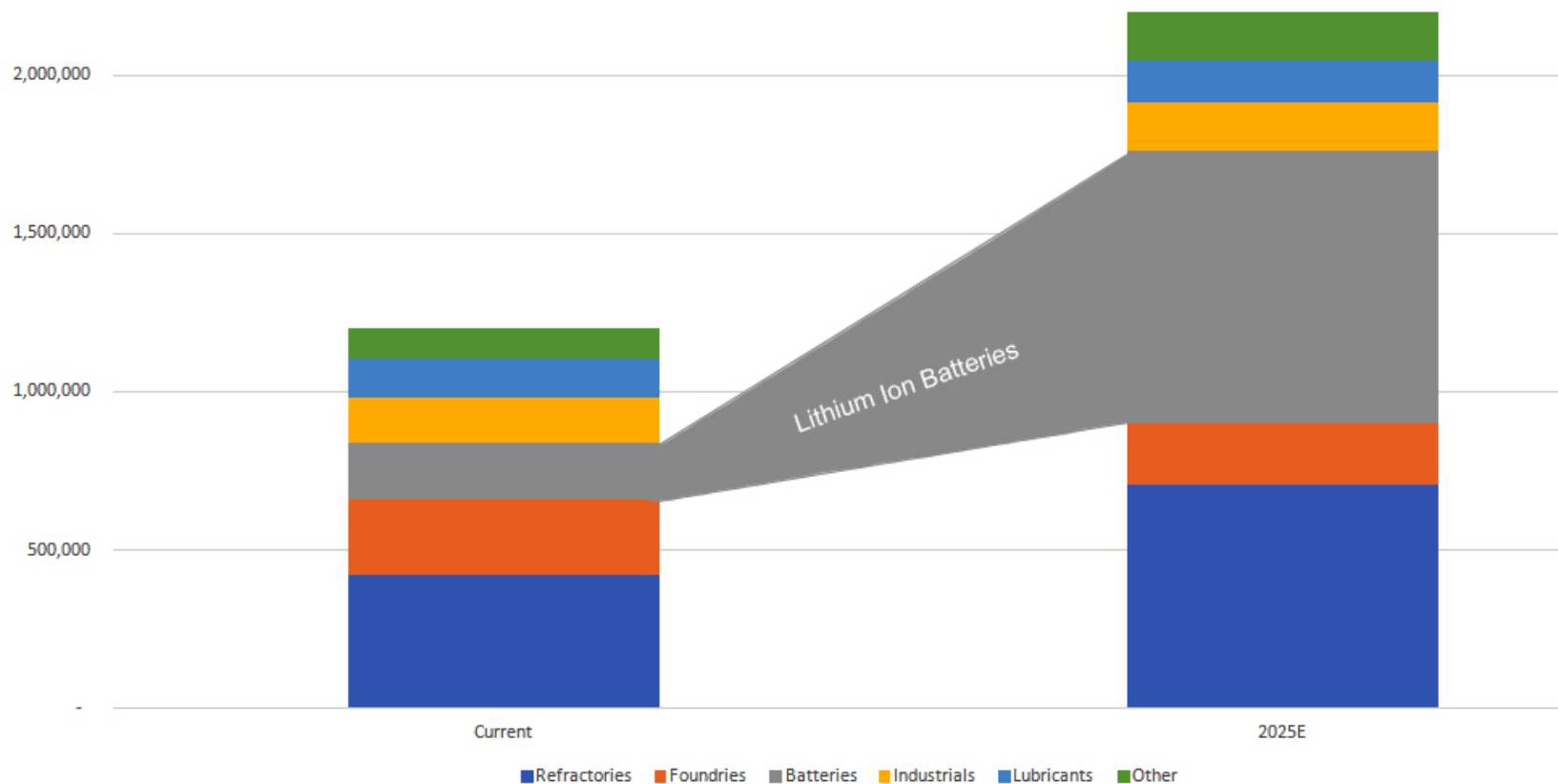
Key Project Highlights

COMPETITIVE ADVANTAGES

- Low strip & simple open pit mining with no drill & blast
- Simple, proven process flow sheet
- Experienced graphite workforce in region
- Excellent commercial relationships
- Large internal demand for graphite from Brazil
- Excellent infrastructure
 - 1.3km from paved highway
 - Power, gas, water all within 5km
 - Major port of Ilheus is 270km away via paved federal highways
 - Near population centers
- Dry stack tailings confirmed for simplified licensing
- Low impurities & highly crystalline structure
- Low CAPEX (<US\$35M) in 2 phases
 - Phase 1 – pilot plant (5000tpy of concentrate)
 - Phase 2 – large plant (20-25ktpy of concentrate)
- Low OPEX in first quartile of costs
 - Competitive with Chinese producers
- First production planned in Q4 2021
- Modular construction to facilitate construction and simplify schedule



Estimated Natural Flake Graphite Demand



Recent regulatory activity, particularly in fire retardant requirements, could create additional demand for expandable graphite of over 2 million tonnes per year.

✦ Santa Cruz World-Class Flake Sizes

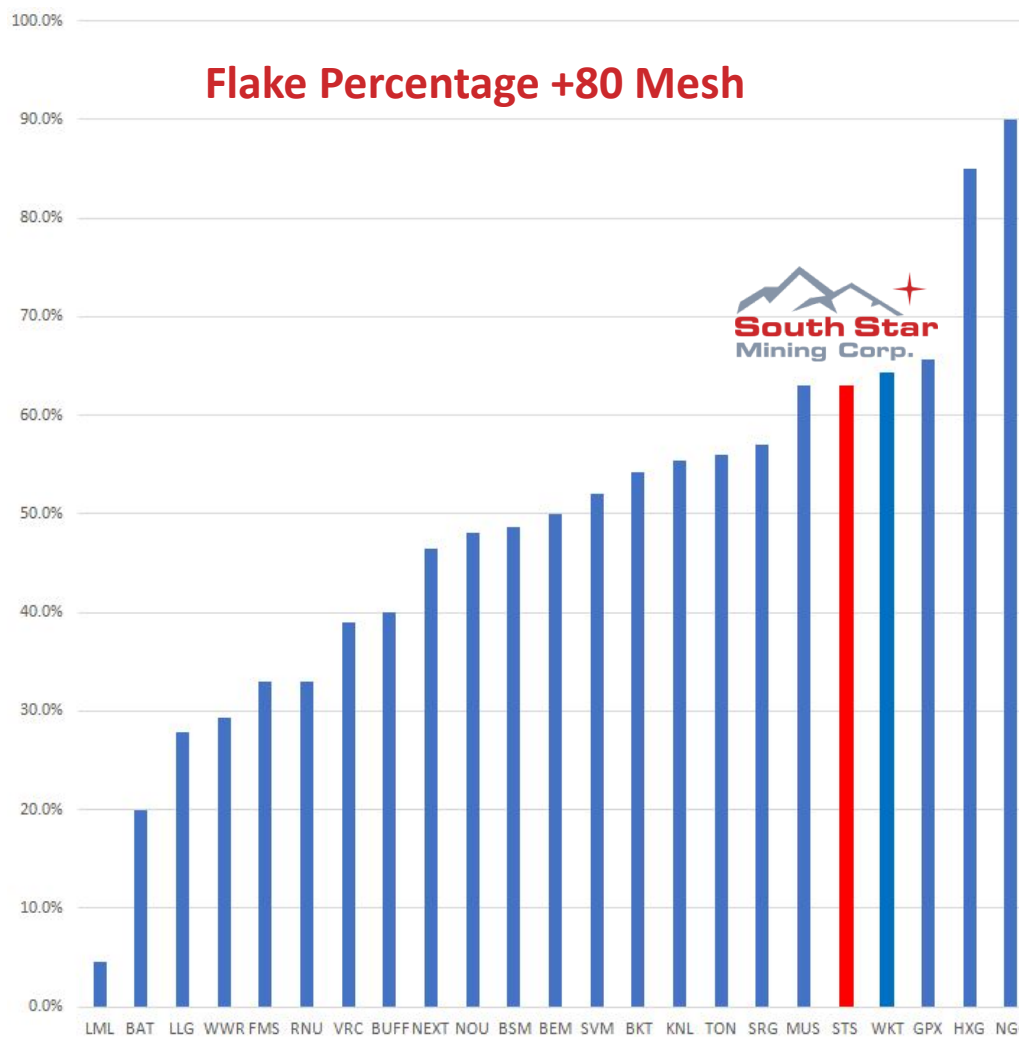


Representative Santa Cruz Graphite Project Concentrates

Mesh Size (#)	Distribution	%Cg
30#	4%	95%
50#	32%	95%
80#	27%	97%
140#	17%	97%
-140#	20%	97%
Recovery 88%		

+50 mesh with 98% Cg and +99.9% Cg concentrates were also produced during testing.

63% of concentrates contained jumbo to large flakes (+30, +50 and +80 mesh).



★ 2020 Santa Cruz Preliminary Feasibility Study*



The financial analysis in 2017 PEA shows very favorable and robust results that highlight the Santa Cruz Project's advantages in the graphite sector.

Key Financial Results

Post-tax NPV _{5%}	US\$ 81,200,000
Post-tax all Equity IRR	35% p.a.
Post-Tax Free Cash Flow (LOM)	US\$ 129,000,000
Payback Period	4 years

Key Parameters

Mining Method	Open Pit
Process/Metallurgy	Milling & Flotation
Life of Mine	12 years
Annual Production (years 1-2):	5,000 t p.a.
Annual Production (year 4-11):	25,000 t p.a.
Capital Costs – Phase 1	US\$ 7,300,000
Capital Costs – Phase 2	US\$ 27,200,000
Avg. Operating Costs(LOM):	US\$ 396 per tonne of conc.
Avg. Weighted Price:	US\$ 1287/t

Santa Cruz Graphite Mineral Reserves Summary*

Mineral Reserve Estimate	Tonnage	Cg	In-situ Graphite
	(t)	(%)	(t)
Proven	3,989,635	2.49	99,340
Probable	8,318,795	2.35	195,490
Total P&P	12,308,500	2.40	295,400



* Cautionary Note: This PFS is considered by STS to meet the requirements of a Preliminary Feasibility Study as defined by Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects. The economic analysis contained in the technical report is based, in part, on Inferred Resources (as defined in NI 43-101) and is preliminary in nature. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves (as defined in NI 43-101). Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. There is no certainty that the reserve's development, production and economic forecasts on which the PEA is based will be realized.

★ 2019 Santa Cruz Update Resource Estimate*



The 2019 updated Resource Estimate shows strong geologic potential and continuity of high-quality graphite mineralization in friable, easily mined, weathered materials. New areas with at-surface mineralization were discovered, and the deposit is open both along strike and at depth.

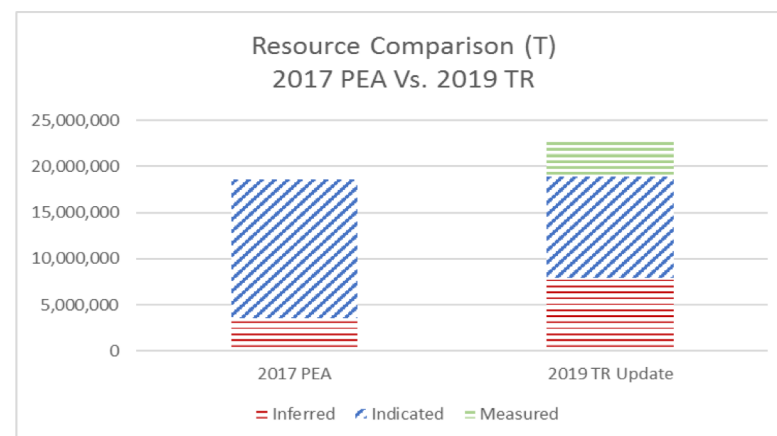
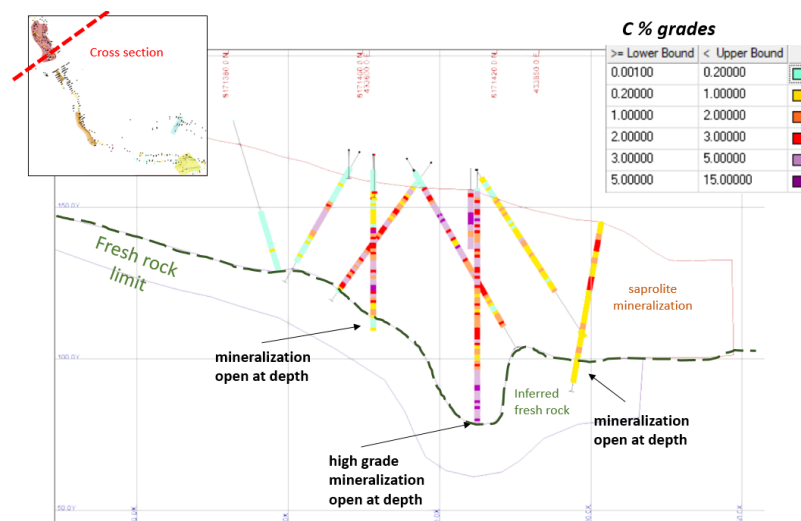
Key Results

- Update based on 2018 investigations **and drilling program**
 - 8 Holes & 530m DDH (HQ)
 - 32 Holes & 1285m RC
 - Mapping & Trenching
- Successfully accomplished goals of the program
 - Define higher grade nucleus (4-5% Cg) to support 2H 2020 pilot plant production.
 - Better understand mineralization, controls & define limits.

Santa Cruz Graphite

2019 Mineral Resources Update Summary*

Category	Tonnage (t)	C (%)	In-situ Graphite (t)
Measured	3,947,550	2.40	94,740
Indicated	10,955,570	2.25	246,500
Total M&I	14,903,100	2.29	341,240
Inferred	7,911,450	2.32	183,550



* Cautionary Note: This updated resource estimate is considered by STS to meet the requirements of a resource and reserve estimate technical report as defined by Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves (as defined in NI 43-101). Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources.

✦ Drilling and Testing



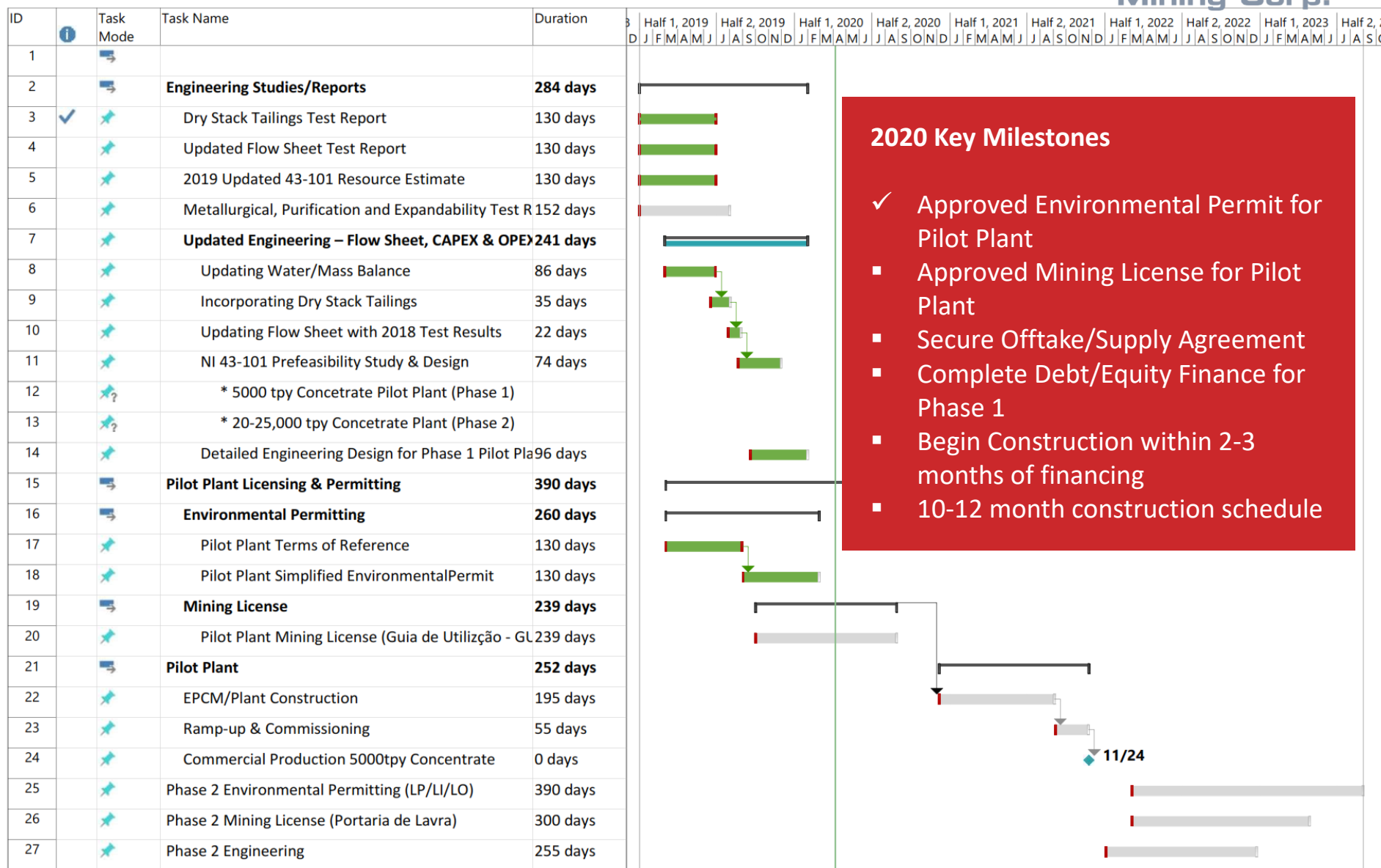
✦ 30t Pilot Plant Testing



EXPANSION (CC/G)	531
SULFUR CONTENT (PPM)	191
LEACHABLE CHLORIDE (PPM)	<1
LEACHABLE FLUORIDE (PPM)	20
PARTICLE SIZE ANALYSIS	2.08
% > 0.701 mm (24 MESH)	16.17
% > 0.495 mm (32 MESH)	93.06
% > 0.295 mm (48 MESH)	99.11
% > 0.246 mm (60 MESH)	99.60
% > 0.175 mm (80 MESH)	99.80
% > 0.147 mm (100 MESH)	100.00



Path to Production – Macro Schedule



2020 Key Milestones

- ✓ Approved Environmental Permit for Pilot Plant
- Approved Mining License for Pilot Plant
- Secure Offtake/Supply Agreement
- Complete Debt/Equity Finance for Phase 1
- Begin Construction within 2-3 months of financing
- 10-12 month construction schedule

★ STS Share Information



Stock Information as of March 2020

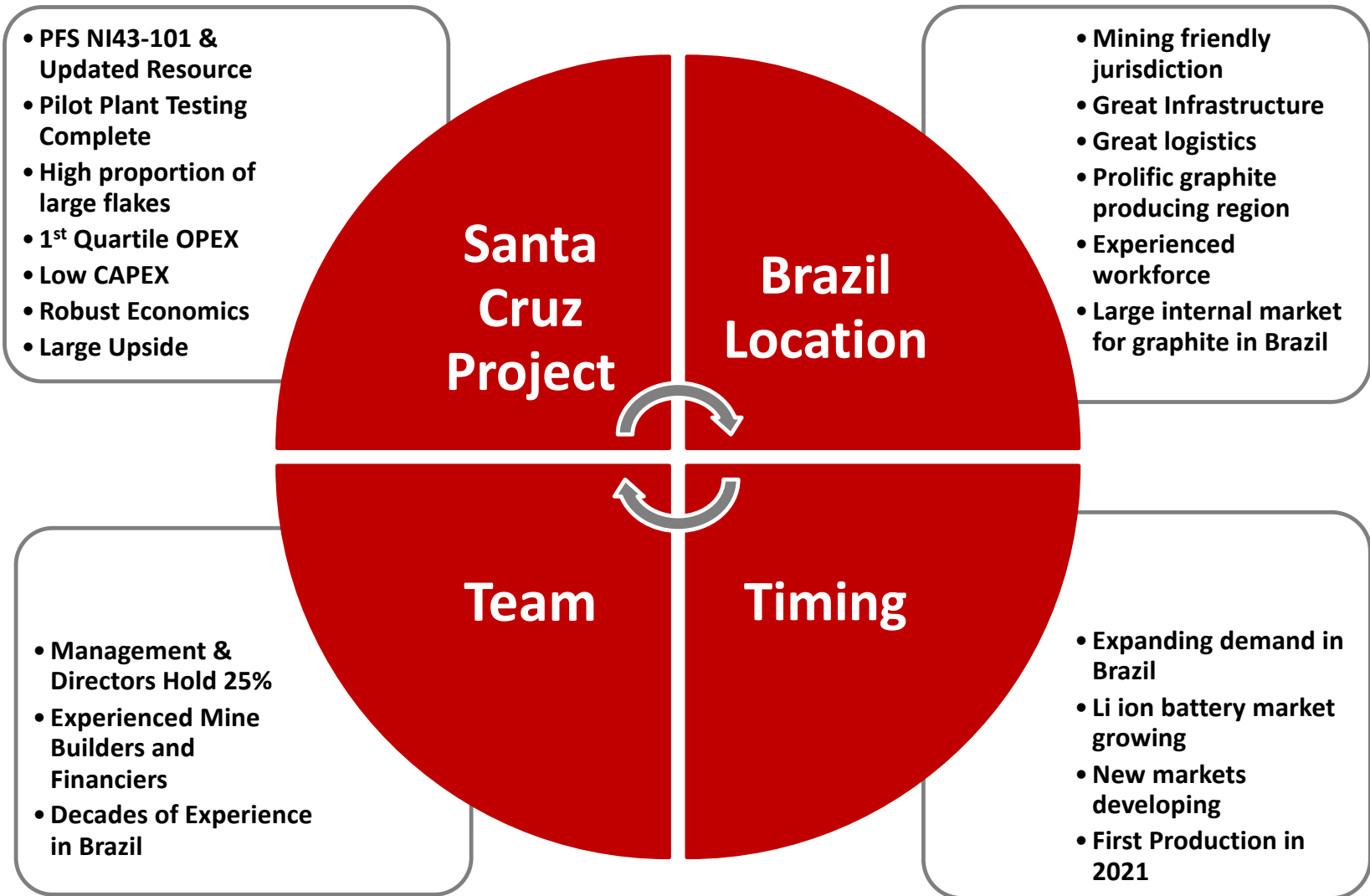
Trading Symbol	TSXV: STS, OTCQB: STSBF
Stock Exchange	TSX Venture & OTCQB
Shares Outstanding	42.9 M
Market Value @ CAD \$0.06	\$2.6 M

Cap Table (000s)

Total Outstanding	42,905
Warrants @ \$0.15 and \$0.45 (May 15 2020 – February 28 2021)	4,797
Warrants @ \$0.75 (June 15 2020)	20,429
Options @ \$0.15 (June 17 2024)	90
Options @ \$0.30 (May 30 2022)	1,600
Options @ \$0.45 (July 30 2023)	2,100
Fully Diluted	71,921

“Graphite demand for lithium ion batteries is forecast to grow 10 to 25% per year through 2025”

★ Why South Star Mining?

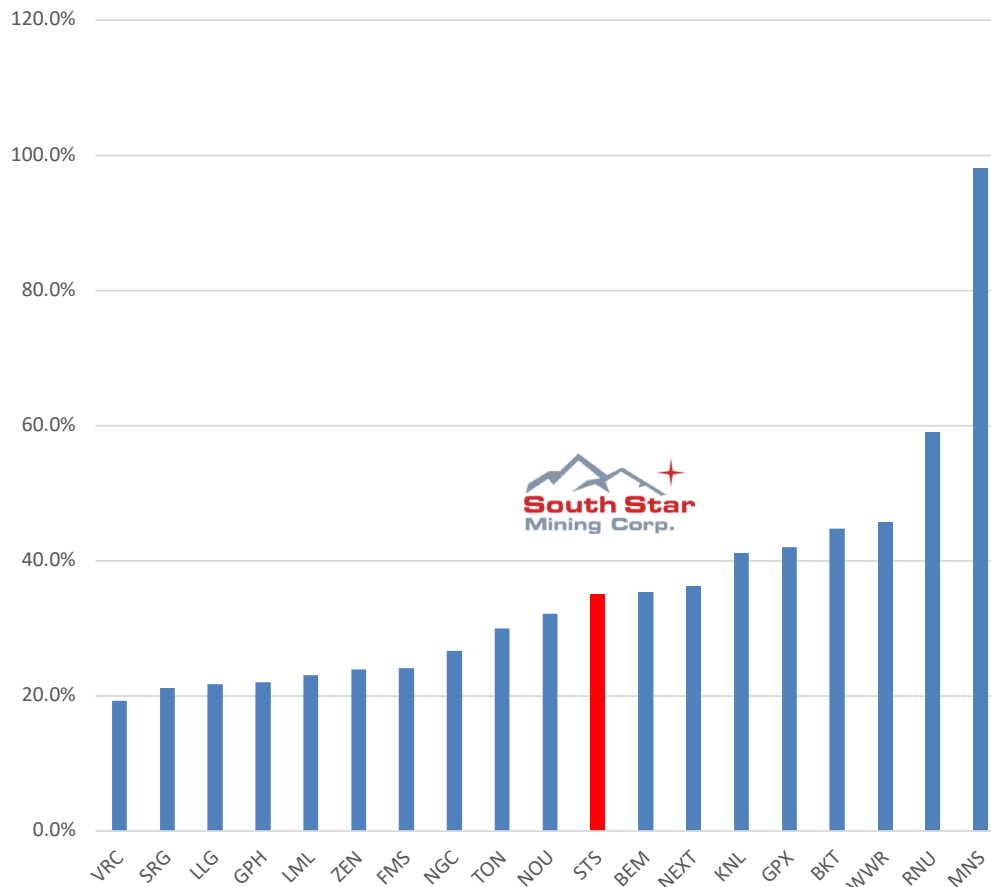


★ STS Value Proposition



- **Compelling Value Proposition and Robust Financials**

After Tax IRR



**Net Present Value
per Share**

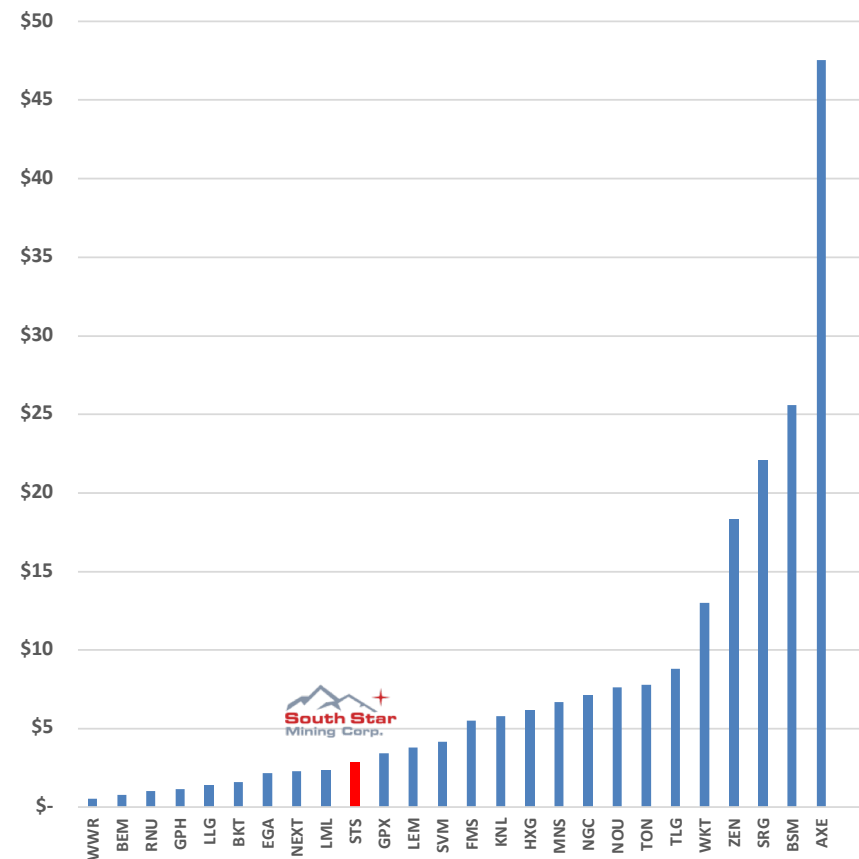
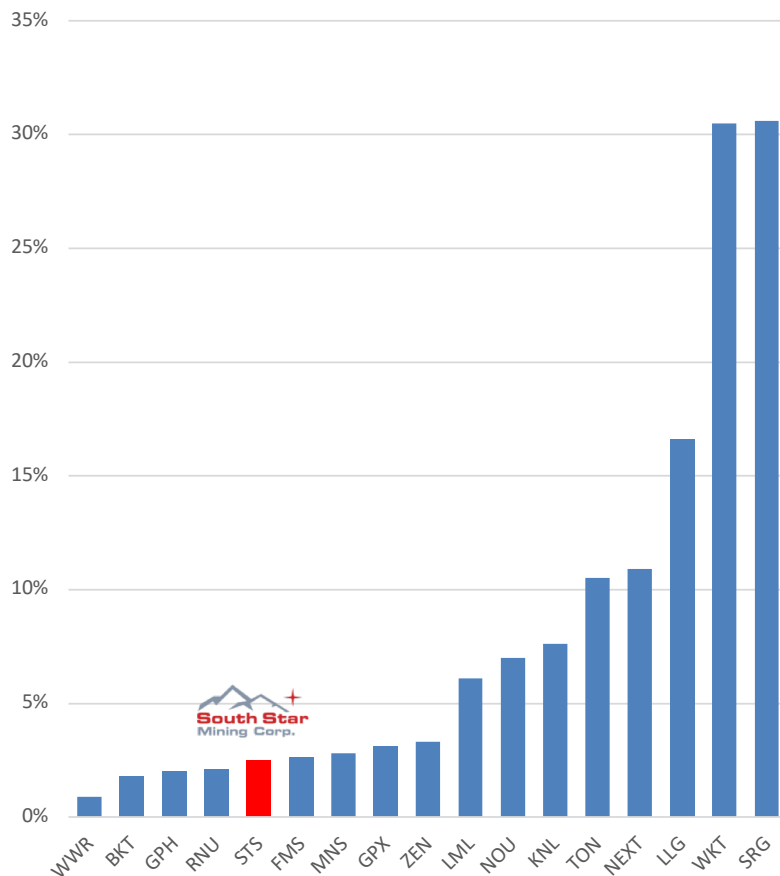
**Outstanding: C\$2.52
Fully Diluted: C\$1.49**

★ STS Value Proposition



- Currently Undervalued When Compared to Peer Group

Market Cap as % of NPV





TSXV: **STS** | OTCQB: **STSBF**

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