

South Star Announces Q3 2025 Financial and Operating Results

VANCOUVER, British Columbia, Nov. 27, 2025 -- **South Star Battery Metals Corp.** (“**South Star**” or the “**Company**”) (TSXV: STS) (OTCQB: STSBF) is pleased to report its operating and financial results for the quarter ended September 30, 2025 and an additional update on operations.

South Star’s Interim Chief Executive Officer, Tiago Cunha, commented,

“We are pleased to announce that we have turned a significant corner with the operational issues at the plant. With the successful oversubscribed raise of US\$4.8 million, we are now funded to continue the plant upgrades at the Santa Cruz Graphite Mine and on track to restart production in 2026, marking a new chapter of growth and resilience for the Company.”

Corporate Highlights During the Quarter

- Appointments of Tiago Cunha as Interim CEO, Darren Prins as CFO and Corporate Secretary, and Rogerio Barcellos as General Manager.
- Successful completion of initial financing over the July/August 2025 of private placement for gross proceeds of US\$302,610 (C\$415,263).
- Announced (and subsequently closed on November 21, 2025) an over-subscribed private placement for gross proceeds of US\$4,800,000 (C\$6,672,000), with cash levels sufficient to sustain operations throughout 2026.
- Announced non-binding indicative term sheet for a US\$4,000,000 loan facility with Sprott Streaming over a 3-year maturity period for the Santa Cruz Graphite Mine in Brazil, which is expected to provide additional resources for the execution of the Company’s strategic plan.

Operations Update

Two critical pieces of equipment required for the plant restart have been purchased, with delivery timelines improved. The scrubber’s lead time was reduced from 180 days to 90 days at no additional cost, while the dryer remains on schedule. Additional initiatives originally budgeted for in the restructuring plan were completed at no cost through workforce mobilization under new management, demonstrating the Company’s cultural transformation and its impact on productivity and costs.

We completed a comprehensive review of our cost structure, achieving significant savings through contract renegotiations, process optimization, and elimination of inefficiencies. While some savings will take time to materialize due to contract terms, the Company expects to realize the full impact over the coming months, with estimated reductions of approximately 60–65% compared to historical costs.

The Company has strengthened its team with technical professionals aligned to production and plant operations and fostered a culture focused on quality, results, and relentless pursuit of improvement. South Star employees represented the Company at Expolbram 2026—the first time the Itabela operation participated in this event.

Installation and commissioning of the new equipment are expected to be completed during 2026, enabling stable production free from climate-related disruptions experienced in 2025. The Company expects to reach annualized output of 5,000 tonnes by mid-2026, after which the Company plans to install a new filter press to expand capacity to 10,000 tonnes per year by year-end 2026. With this installed capacity, the Company anticipates operating above breakeven levels, generating positive free cash flow, and strengthening its financial position.

Selected Financial Data

The following selected financial data is summarized from the Company’s financial statements and related notes thereto for the three and nine months ended September 30, 2025 and 2024.

	Three months ended		Nine months ended	
	2025	2024	2025	2024
	\$	\$	\$	\$
Loss and comprehensive loss	(823,278)	(1,289,812)	(30,523)	(6,104,622)
Loss per share – basic and diluted	(0.02)	(0.03)	(0.03)	(0.09)

	September 30, 2025	December 31, 2024
	\$	\$
Cash and cash equivalents (excluding subsequent \$4.8 million raise)	16,010	2,091,299

Total assets	21,128,878	20,205,794
Total current liabilities	2,155,424	4,455,764
Total liabilities	15,133,893	15,985,466
Total shareholders' equity	5,994,985	4,220,328

The above selected financial data should be read in conjunction with the Company's financial statements, the notes thereto and related management's discussion and analysis for the three and nine months ended September 30, 2025 and 2024, copies of which are available under the Company's profile at www.sedarplus.ca.

ABOUT SOUTH STAR BATTERY METALS CORP.

South Star is a Canadian battery-metals project developer focused on the selective acquisition and development of near-term production projects in the Americas. South Star's Santa Cruz Graphite Project, located in Southern Bahia, Brazil is the first of a series of industrial- and battery-metals projects that South Star aims to put into production. Brazil is the second-largest graphite-producing region in the world with more than 80 years of continuous mining. Santa Cruz has at-surface mineralization in friable materials, and successful large-scale pilot-plant testing (> 30 tonnes) has been completed. The results of the testing show that approximately 65% of graphite concentrate is +80 mesh with good recoveries and 95%-99% graphitic carbon (Cg). With excellent infrastructure and logistics, South Star Phase 1 is ramping up commercial production with first sales shipped in May 2025. Santa Cruz is the first new graphite production in the Americas since 1996.

South Star's second project in the development pipeline is strategically located in the center of a developing electric-vehicle, aerospace, and defense hub in Alabama, U.S.A. The BamaStar Project includes a historic mine active during the First and Second World Wars. The vertically integrated production facilities include a mine and industrial concentrator in Coosa County, AL and a downstream value-add plant in Mobile, AL, which will be upgrading natural flake graphite concentrates from both Santa Cruz and BamaStar mines. A NI 43-101 Preliminary Economic Assessment (the "PEA") demonstrates strong economic results with a pre-tax Net Present Value ("NPV8%") of US\$2.4 billion and an Internal Rate of Return ("IRR") of 35%, as well as an after-tax NPV8% US\$1.6 billion with an IRR of 27% (for additional information on these figures and the underlying assumptions refer to the Company's news release dated November 13, 2024 and the PEA, which are available under the Company's profile at www.sedarplus.ca). South Star has also received US\$3.2 million grant commitment from the US Department of Defense Title III program to advance a feasibility study on the BamaStar project. South Star trades on the TSX Venture Exchange under the symbol STS, and on the OTCQB under the symbol STSBF.

South Star is committed to a corporate culture, project execution plan and safe operations that embrace the highest standards of ESG principles, based on transparency, stakeholder engagement, ongoing education, and stewardship. To learn more, please visit the Company website at <http://www.southstarbatterymetals.com>.

The scientific and technical content of this news release was reviewed, verified, and approved by Marc Leduc, P. Eng., a "Qualified Person" under National Instrument 43-101 and Chairman of South Star Battery Metals Corp.

On behalf of the South Star Board of Directors,

MR. MARC LEDUC,
CHAIRMAN OF THE BOARD OF DIRECTORS

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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.

FORWARD-LOOKING INFORMATION

This press release 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 in this press release include, but are not limited to, realizing expected cost savings, obtaining critical equipment on expected timelines, achieving the design capacity of the Santa Cruz plant, the commencement and timing of production at the Santa Cruz Project; the scaling of operations and achieving breakeven operating levels and positive cash flow; entering into a loan facility with Sprott Streaming; and the Company's overall strategy, plans, and future expectations.

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 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. Additional information on these and other risk factors can be found in the Company's continuous disclosure documents available under its profile on SEDAR+ at www.sedarplus.ca.

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.