



SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars)

Dated: November 26, 2025

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This Management's Discussion & Analysis ("MD&A") of South Star Battery Metals Corp. ("STS" or the "Company") provides an analysis of the Company's financial position and results of operations for the three and nine months ended September 30, 2025 and 2024. This MD&A was prepared by management of the Company and should be read in conjunction with the annual Management's Discussion & Analysis for the years ended December 31, 2024 and 2025 (the "Annual MD&A") as well as the condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 (the "Financial Statements") and the audited consolidated financial statements for the years ended December 31, 2024 and 2025 (the "Annual Financial Statements"). The Company's Financial Statements are prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*.

For additional information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.ca.

The Company was incorporated in British Columbia on November 8, 1984. The Company is listed on the TSX Venture Exchange (the "Exchange") in Canada under the symbol "STS" and the OTC Bulletin Board in the United States under the symbol "STSBF".

The head office of the Company is 1507 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3. The registered records of the Company are located at 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7. The Company is a Canadian battery-metals project developer focused on the selective acquisition and development of graphite projects in the Americas. The Company is in the commissioning period at the Santa Cruz Graphite Mine in Bahia, Brazil and has an exploration project, BamaStar Graphite Project, in Alabama, USA

This MD&A is current as of November 26, 2025 ("MD&A Date") and was approved by the Company's Board of Directors.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. All dollar figures included herein are quoted in United States dollars except as noted or where the context otherwise requires. References to "\$" or "USD" are to United States dollars and references to "C\$" or "CAD" are to Canadian dollars. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine-month periods ended September 30, 2025 and 2024 are referred to as "YTD 2025" and "YTD 2024" respectively.

2025 BUSINESS HIGHLIGHTS

Santa Cruz Graphite Mine Highlights

Santa Cruz completed construction of the Phase 1 plant in October 2024. The infill drilling and short-term mine plan/sequence for the first quarters of the mine sequence are complete. Prestrip is finalized and approximately 57,000 tonnes of ore have been placed on the ore pad through June 2025. The mine plan confirms simple, open pit mining of oxide ore with at-surface mineralization.

The Company is working on identifying bottlenecks and process optimization. The Company continues to work with a metallurgist to refine circuit processes. In June 2025, the Company brought in a new management lead at the plant site. The Company is investing in infrastructure to secure mill feed during the rainy season.

Engineering drawings of the constructed Phase 1 process plant to reflect finished product detailing the electrical, mechanical, structural, foundations and earthworks as well as a bottleneck/process optimization study were completed in Q4 2024 to explore the potential to upgrade the Phase 1 processing plant capacity. In order to avoid special orders or custom parts, much of the installed equipment is the smallest, off-the-shelf, stock production units. Installed equipment is oversized compared to Phase 1 throughput, and the bottleneck/process optimization study will determine what would have to be upgraded in the Phase 1 plant to reach the Phase 2 estimated throughput. An operational mass and water balance as well as the as-builts will serve as the basis for a production optimization and bottleneck analysis. These studies were completed in December 2024 with actions to recommendations underway.

Operational update

The Company has faced challenges during the commissioning and start-up of the Santa Cruz graphite project in Brazil, resulting in a working capital deficit. These challenges have arisen from equipment selection issues during the initial construction, significant rainfall events during the commissioning period, and typical start-up and commissioning challenges Phase 1 operations.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

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Sales

South Star's immediate go-to-market commercial strategy is to produce high-quality graphite concentrates for various industrial applications and sectors. In June 2025, South Star shipped the first container of natural flake graphite concentrates. 20 bulk bags of graphite concentrate were sealed and delivered to the United States.

The Company entered into initial binding sales agreements with US-based customers for the initial purchases of 240 tonnes of the Company's graphite concentrate from its Santa Cruz Graphite Mine. The Company continues to develop customer relationships. South Star has made significant progress qualifying its Santa Cruz graphite concentrate with other major graphite end-users worldwide, who have undertaken extensive product testing as part of their due diligence process for off take agreements. The Company looks forward to updating the market on the progress of developments with other potential customers when details are finalized.

The Company continues to monitor trade relations between the US and Brazil. The ultimate impact of on the Company's financial performance of any tariffs imposed remains uncertain and will depend on future trade negotiations and global economic conditions. Refer to "Risk Factors" for additional discussion.

Permitting and licensing

On January 24, 2023, the Planned Economic Analyses ("PAEs") and request for the final mining license for all 13 exploration claims were submitted to the Brazilian Mining Authority ("ANM") and had been in technical evaluation at the regional superintendent's office in Salvador. In addition, seven new exploration claims totaling approximately 7,000 additional hectares have been applied for by the Company.

The PAEs doubled the Santa Cruz production capacity presented in the previously released Prefeasibility Study ("PFS") (March 2020) and incorporates a third phase of project development.

The planned production schedule is as follows:

- 2 years with 12,000 tonnes per annum ("tpa") of concentrates (Phase 1);
- 2 years with 25,000 tpa of concentrates (Phase 2); and
- Life of mine ("LOM") with 50,000 tpa of concentrates (Phase 3).

The approval of the PAEs and mining license is the final step in securing the LOM mining license for each of the 13 exploration claims and converting them to mining concessions.

Phases 1, 2 and 3 definitive mining license ("Concessão de Lavra") are approved as well as the Environmental Licenses for the Concessions in the county of Itabela. The Company has paid the municipal building permit for construction of the Phase 1 plant, mine and infrastructure and which was received in the year ended December 31, 2022.

The Company submitted the consolidated Phases 1, 2 & 3 environmental reports and documentation in April 2023 with the objective of obtaining both the mining and environmental permits and licenses required for Phases 2 & 3. In February 2024, the Company received its environmental permits for Phases 2 & 3 for 8 of its mining claims, including all the main claims currently planned for near-term production. The Phases 2 and 3 environmental permits were approved with conditions generally in line with the Phase 1 permit and are consistent with the current environmental and community engagement programs already underway. The Environmental Permit is reviewed and renewed every four years. The current permit is valid through December 19, 2028.

Exploration

The Company mobilized a geophysics contractor in Q4 2024 to perform approximately 15 linear kilometers of geophysics to test the limits of the priority drilling targets at Santa Cruz for a 2024 exploration program which will include 3,000-4,000m of drilling in 2025 to expand current resources and reserves to extend mine life. The geophysics campaign resulted in indications of potentially mineralized material adjacent to the current pit operations. Drilling to confirm mineralization needs to be completed.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

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Value-add products

In March 2024, the contracts for a value-add process study have been finalized as part of the National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101) Preliminary Economic Assessment ("PEA") for BamaStar, and the study was completed and details were presented on October 10, 2024 and is discussed below. The Study's techno-economic analysis presents a scenario with concentrates from both BamaStar and Santa Cruz providing feedstocks for the secondary processed, specialty graphite products. The Study has outlined the strategic production/commercial plan for South Star's planned downstream transformation plant for the manufacturing of battery-graphite and other specialty-graphite commercial products, in the southeastern USA.

BamaStar Graphite Project, Alabama Highlights

Ownership update

The BamaStar Agreement calls for the Company to, undertake 3 years' worth of assessment work on the property with an annual minimum expenditure of \$250,000 (\$750,000 total) to earn 75% in the BamaStar Graphite Project. During the year ended December 31, 2024, the Company met this requirement and exercised its option to acquire its 75% interest in the BamaStar Graphite Project. On March 17, 2025, the Company acquired the remaining 25% interest by issuing a total of 445,454 common shares to the vendor. As a result, the Company has 100% of the rights to the BamaStar Graphite Project. The underlying lease agreements require annual payments of \$130,000 in February each year. The Company must commence a trial production period by February 2026 in order to maintain the leases defined as production at greater than 1,000 tonnes per annum ("tpa") but equal or less than 10,000 tpa. The production is subject to a 1.7% NSR during the trial production period and then a 2.0% NSR at commercial production (greater than 10,000 tpa).

Value-Add Product Test Work, Updated Mineral Resource Estimate and PEA Overview

In August 2024, the Company announced that BamaStar natural flake graphite concentrate was successfully upgraded to 99.95% fixed carbon, which is suitable for lithium-ion batteries and a variety of other value-add applications. South Star is advancing a process flowsheet for producing coated, spheronized, purified graphite ("CSPG") using commercially available equipment and industry standard, proven technology with no special products or proprietary intellectual property. The purification test results have been incorporated into the NI 43-101 PEA, which was announced on October 10, 2024. Technical product-development programs are continuing to advance the Company's vertically integrated midstream and downstream product suite for value-added applications using graphite concentrates from both Santa Cruz and BamaStar.

A summary of the technical information with respect to the BamaStar Graphite Project and the BamaStar PEA results are discussed below. An extensive summary of the technical information and economic results with respect to the BamaStar Graphite Project and the BamaStar PEA results are in the October 10, 2024 and November 13, 2024 Press Releases.

The natural flake graphite concentrate precursor material for the value-add plant proposed in the BamaStar PEA will come from South Star's BamaStar and Santa Cruz mines, where the latter is now in Phase 1 operations in Brazil. The Project has a Pre-Tax Net Present Value ("NPV8%") of \$2.4B with an Internal Rate of Return ("IRR") of 35% and an After-Tax NPV8% \$1.6B with an IRR of 27%. The life of mine ("LOM") gross revenue is \$9.9B whereas the Pre-Tax and Post-Tax undiscounted free cashflow is \$6.0B and \$4.3B, respectively. The Project has a 19-Year open-pit mine life with an average concentration production of 47,147 tpa. The updated resource estimate increased by 2.4x increase compared to the 2023 maiden resource. Overall the resource estimate contains over 1Mt of contained graphite.

The BamaStar Mine and Concentrator Plant is developed in a modular, phased approach using a simple proven flowsheet resulting in an average recovery of 90% and concentrate grades ranging from 94% graphitic carbon ("Cg") for hard rock mill feed to >98% Cg for oxide mill feed. Each of the planned two phases of the Concentrator Plant would produce approximately 25,000 tpa for a combined total of 50,000 tpa of natural flake graphite concentrate. The value-add plant is designed using chemical purification technology and standard, commercially available equipment with no intellectual property that can purify to battery grade (> 99.95% Cg).

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

The Mobile, AL Plant is also developed in a phased, modular approach with each of the planned three phases producing 20,600 tpa of upgraded graphite for a total of 61,800 tpa of upgraded products. This amount includes approximately 38,000 tpa of coated, purified, spheronized graphite ("CSPG"). 1 Kg of purified graphite was transformed into purified and micronized graphite, as well as CSPG using standard, commercially available, non-proprietary technologies. The CSPG material was used to make both CR2032 coin and pouch cells. The successful preliminary electrochemical testing results demonstrated capacity and first-cycle loss performance that is comparable to Tier-1 commercial CSPG products, including potential fast-charge capabilities with stable cycling. The PEA results have been delivered to the US Department of Defense Title III program managers for review and comment in anticipation of the previously announced grant for funding \$3.2M for a feasibility study ("FS"). The schedule is to complete the FS within 18 months after the start of drilling program to support the study (see below).

The Company filed the BamaStar PEA for the BamaStar Mine and Concentrator Plant and a value-add upgrading plant on November 13, 2024.

Grant from United States Department of Defense

In the year ended December 31, 2023, the Company announced that it has received a \$3.2 million grant (equaling approximately CA\$4.4 million) from the Department of Defense ("DoD") under the Defense Production Act ("DPA") Title III authorities utilizing funds appropriated by the Inflation Reduction Act, to advance a National Instrument 43-101 Feasibility Study ("FS") for the BamaStar Graphite Project. The FS will also incorporate a vertically integrated lithium-ion ("Li-ion") battery-graphite anode manufacturing facility in the southeast corridor of the United States. The FS will cover all aspects of the planned BamaStar graphite mine from upstream mining operations to the downstream manufacturing of finished commercial battery-ready graphite products, while detailing all important and essential related information, including operational, financial, commercial graphite product performance data, and environmental, social and governance criteria. South Star's planned battery-graphite products will include a broad range of products from coated spherical purified graphite ("CSPG") active anode materials for Li-ion battery applications to conductivity-enhancement products for use in all major primary (i.e., non-rechargeable) and secondary (i.e., rechargeable) battery chemistries.

South Star is committed to developing BamaStar's downstream commercial battery-graphite manufacturing facility in the southeast corridor of the U.S. Given the global demand for Li-ion battery-graphite anode materials and due to the complete lack of U.S. manufacturing capacity, the Company's management believes in the criticality of addressing the United States' urgent need to have integrated, safe-sourced, domestic graphite production capability at commercial scale in the most efficient, cost-effective and shortest timeframe possible. The Company views the present challenging macroeconomic and geopolitical environments as a significant and increasing risk to the U.S. and its allies, in terms of both national and energy security.

While the BamaStar graphite mine is being developed, South Star intends to initially commence commercial operations at the Company's planned U.S. downstream battery-graphite manufacturing facility utilizing premium graphite concentrate supplied from its own Santa Cruz Graphite Mine. In addition to the assurance of security of supply of graphite concentrate to feed the U.S. downstream plant, the strategic and enduring competitive advantages of this integrated approach mitigates the risks of probable long-term supply/demand imbalance and probable price increases globally for graphite concentrate beginning in the near future. This integrated approach of a diversified portfolio of scalable facilities allows for an accelerated U.S. downstream production of critical battery grade anode materials, while BamaStar is developed and built in parallel. South Star intends for the Company's U.S. downstream facilities to scale over time and be ready to process the entirety of the BamaStar graphite mine's concentrate feedstock.

The DoD will contribute funding to the BamaStar FS on a cost-share basis. As part of the agreement, the DoD will provide \$3,179,999 and South Star will contribute \$3,772,499 in matching funding on a cost-share basis over a period of 18 months, which would begin after the delivery by the Company of the BamaStar PEA. The DoD and South Star are in active discussions and reviewing next steps in regular update meetings including quotes for study components.

Graphite is classified by the U.S. Department of Energy as critical and high risk in both the short and medium term. It is an essential material for many applications, including transportation, communications, defense, microprocessors, high-tech, graphene, etc. The U.S. currently produces no graphite concentrates or downstream battery-grade anode materials.

Value-Add Products

Company representatives have engaged and met with numerous senior economic-development representatives for states in the region, including Alabama and Louisiana. The team commenced a site-selection process to determine the most advantageous location for siting South Star's planned downstream transformation plant to produce CSPG for Li-ion battery applications, in addition to conductivity enhancement products suited for numerous battery chemistries, and other unique and innovative products. As detailed in the PEA, a site near Mobile, Alabama was selected for the PEA but remains subject to on-going discussions and negotiations with other sites in the region.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

Corporate Highlights

In December 2024 and January 2025, the Company completed a non-brokered private placement of 6,976,742 units at a price of \$0.43 per common share for gross proceeds of \$3,000,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.89 for a period of five years.

During the nine months ended September 30, 2025, the Company granted 542,889 RSUs, 480,000 deferred share units and 1,745,000 stock options to directors, officers, consultants and employees of the Company. The stock options have an exercise price of C\$0.445 and are exercisable for a period of 5 years.

In July 2025, Company received bridge loans (the "Notes") from the directors of the Company for gross proceeds of \$250,000 and \$200,000 from the former CEO of the Company. The Notes bear interest at 1% per month (12% per annum, compounded monthly) and mature on January 7, 2026. The Company may prepay the Notes at any time without penalty. The Notes are subject to acceleration upon certain conditions, including the completion of subsequent debt financing of at least \$500,000 or equity financings totaling at least \$3,000,000 during the term. Upon acceleration, all outstanding principal and accrued interest become payable within 15 days of the applicable financing. Proceeds from the Notes will be used for general working capital purposes. In October 2025, the Company repaid \$414,181 of outstanding principal and accrued interest of the Notes.

On August 6, 2025, the Company closed a non-brokered private placement totaling 1,375,500 units at a price of \$0.22 (C\$0.30) per unit for gross proceeds of \$302,610 (C\$415,263). Each unit consisted of one common share and one share purchase warrant exercisable at \$0.22 (C\$0.30) for a period of five years. The share purchase warrants were attributed a fair value of \$97,476 using the residual method. The Company paid cash finders' fees of \$4,297 and issued 19,530 finders' warrants exercisable at \$0.22 (\$0.30) for a period of five years. Proceeds from the private placement will be used for development and production, as well as corporate general working capital requirements.

On September 25, 2025, the Company entered into a loan with the former CEO for an amount of \$212,196 which replaced outstanding amounts payable for compensation, vacation and reimbursable expenses. The loan bears interest at 12% per annum, compounded monthly until September 25, 2026. After September 25, 2026, the loan bears interest at 18% per annum compounded monthly. The loan matures on March 25, 2027. The Company may prepay the loan at any time without penalty.

The loan is subject to acceleration upon:

- The completion of equity, debt or other types of financings totaling \$4,000,000 during the term of the loan upon which 50% of the principal amount and all of the accrued interest becomes payable within 10 days of the applicable financings. Subsequent to September 30, 2025, the Company closed a non-brokered placement and this clause was triggered.
- The completion of equity, debt or other types of financings totaling \$8,000,000 during the term of the loan upon which 100% of the principal amount and all of the accrued interest becomes payable within 10 days of the applicable financings.

In November 2025, the Company closed a non-brokered private placement totaling 44,479,999 units at a price of \$0.11 (C\$0.15) per unit for gross proceeds of \$4,800,000 (C\$6,672,000). Each unit consisted of one common share and one share purchase warrant exercisable at \$0.14 (C\$0.20) for a period of five years. The Company paid cash of \$186,328 as finders' fees and issued 1,987,722 finders' shares with a fair value of \$271,703. Proceeds from the private placement will be used for development and production, as well as corporate general working capital requirements.

The Company enhanced its board of directors with the appointment of Mr. Tiago Cunha to its board of directors. Mr. Tiago is the manager of equity at investment fund firm Ace Capital and a veteran of capital markets with extensive mineral resource and energy transition experience. In September 2025, Mr. Tiago assumed the role of interim CEO and President.

During the quarter, the Company appointed Mr. Darren Prins as Chief Financial Officer and Corporate Secretary. Mr. Prins has more than 20 years of experience in all aspects of the accounting and finance function, including corporate reporting, treasury management, risk management, and budgeting. Mr. Prins has served as the Chief Financial Officer for TSX, TSX Venture and NYSE listed companies, as well as privately held entities, across multiple industries including mining, oil & gas, agriculture and private equity. The Company also appointed Rogerio Barcellos as General Manager of the Santa Cruz graphite project. Mr. Barcellos has a long and distinguished career in mining projects and plant operations, including Anglo American, AB Inbev and Phosfaz, one of the first phosphate project in Brazil.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

PROJECTS

Santa Cruz Graphite Mine

South Star Battery Metals Corp. owns 100% of the Santa Cruz Graphite Mine through its wholly owned subsidiaries Brasil Graphite Corp. ("BGC") and Brasil Graphite Mineracao Ltda. ("BGM"). The Santa Cruz Graphite Mine is located in the state of Bahia, Brazil and consists of 13 approved licenses covering 13,316 hectares. The Company issued a Prefeasibility Study ("PFS") technical report prepared in accordance with NI 43-101 guidelines with an effective date of March 18, 2020, as filed on Sedarplus.ca.

Phase 1 pilot plant operations are fully licensed, permitted and in preliminary commercial operations. The purpose of the Phase 1 operations is to start production and cash flow, generate large scale samples for material qualification processes and solidify long-term commercial relationships for securing purchase agreements for the Phase 2 production. The Company will continue to develop the project with additional drilling, environmental studies, independent metallurgical studies, mine planning, process plant engineering, and equipment sourcing for the Phase 2 operations, including advanced purification processing technology to upgrade concentrates for value-add applications. This includes the lithium-ion battery market, alkaline battery markets, dispersions and coatings, expandable graphites & fire retardants and other newly emerging graphite technologies.

In 2022, the Company closed on Phase 1 of a Stream Agreement with Sprott Private Resource Streaming and Royalty (B) Corp. for \$10,000,000 as outlined in the accompanying Financial Statements.

BamaStar Graphite Project, Alabama

The Company is the owner of the BamaStar Graphite Project in Alabama. The Company has successfully acquired 100% ownership of the Project.

The BamaStar Graphite Project is located on the northeast end of the Alabama Graphite Belt and covers approximately 660 acres in Coosa County, Alabama. The BamaStar Graphite Project is a historic mine active during World Wars I & II. The BamaStar Graphite mine historically targeted friable outcropping graphite mineralization, averaging approximately 3%-5% graphitic carbon. Mineralization is at surface, and the graphitic host rock was mined historically with shovels and excavators with no drilling and blasting required.

Updated NI 43-101 Mineral Resource Estimate & Preliminary Economic Assessment Results

An extensive summary of the technical information and economic results with respect to the BamaStar Graphite Project and the NI 43-101 PEA results are in the October 10, 2024 and November 13, 2024 Press Releases. A brief summary of the results are discussed in the above *Business Highlights* section.

Outlook

Santa Cruz Phase 1 (12,000 tpa concentrates) is working through operation enhancements to its Phase 1 plant. Work is planned to begin on an updated NI 43-101 Feasibility Study to expand resources and reserves, update costs/pricing assumptions, revise capital and operating forecasts, and incorporate Phase 3 expansion to 50,000 tpa of concentrates. The work is contingent on the Company's ability to obtain adequate financing. The Phases 2 & 3 environmental permits were approved in February 2024. The approval of the final mining license for five of the main claims, including the areas required for all the near-term production, were received in Q2 2024. Three additional claims are in final evaluation at MME, and the Company expects approval in 2025. The Santa Cruz FS is expected to take approximately 12 months, once the drilling and analytics are complete. Once the FS is completed and all the permits are in hand, an investment decision can be weighed regarding future expansions.

The BamaStar PEA was completed in Q4 2024. The PEA's techno-economic analysis presents a scenario with concentrates from both BamaStar and Santa Cruz providing feedstocks for the secondary processed, specialty-graphite products. The Study outlines the strategic production/commercial plan for South Star's planned downstream transformation plant for the manufacturing of battery-graphite and other specialty-graphite commercial products, in the southeastern USA. Now that the PEA has been completed, the Company intends to continue with field work and drilling programs required for the BamaStar FS, which is expected to be completed 18 months after the start of said field work and drilling programs. Work on BamaStar is contingent on the Company's ability to obtain financing.

SOUTH STAR BATTERY METALS CORP.**Management's Discussion & Analysis**

For the three and nine months ended September 30, 2025 and 2024

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SUMMARY OF QUARTERLY FINANCIAL RESULTS

A summary of selected financial data during the last eight quarters is as follows:

| | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 |
|---|--------------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ |
| Total assets | 21,128,878 | 20,642,439 | 20,832,767 | 20,205,794 |
| Long-term liabilities | 12,978,469 | 11,771,883 | 11,330,557 | 11,529,702 |
| Working capital (deficiency) ¹ | (1,544,108) | (1,623,747) | (1,596,601) | (1,893,657) |
| Net loss for the period | (1,061,242) | (282,924) | (690,566) | (1,307,229) |
| Basic and diluted net loss per share | (0.02) | (0.00) | (0.01) | (0.02) |

| | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 |
|---|-------------|-------------|-------------|------------|
| | \$ | \$ | \$ | \$ |
| Total assets | 21,601,829 | 22,378,546 | 25,358,730 | 22,096,527 |
| Long-term liabilities | 11,167,203 | 9,500,659 | 10,038,401 | 10,885,829 |
| Working capital (deficiency) ¹ | 646,439 | 1,188,136 | 4,544,547 | 2,857,629 |
| Net loss for the period | (1,686,570) | (1,490,509) | (1,120,474) | (975,631) |
| Basic and diluted net loss per share | (0.03) | (0.03) | (0.02) | (0.02) |

(1) Working capital is defined as current assets less current liabilities

In Q4 2023, Q1 2024 and Q2 2024, the Company continued the development through to substantial completion of the construction of the plant and development of the mine at the Santa Cruz Mine. The net loss for Q2 2024, Q3 2024 and Q4 2024 increased over prior periods due to the expansion of the team at all levels of the organization, and as a result of an overall higher level of activity as the Company invested in its two main projects. The lower net loss for Q2 2025 and Q1 2025 were mainly driven by fair value adjustments of derivative warrant liabilities of \$1,225,206 and \$1,051,063, respectively. In Q4 2024, the Company's working capital position decreased largely due the recognition of derivative warrant liabilities of \$2,636,006 with the change of functional currency in the parent company from the Canadian dollar to the US dollar.

SOUTH STAR BATTERY METALS CORP.**Management's Discussion & Analysis**

For the three and nine months ended September 30, 2025 and 2024

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RESULTS OF OPERATIONS

A summary of the Company's results of operations is as follows:

| | Q3 2025 | Q3 2024 | YTD 2025 | YTD 2024 |
|---|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Operating expenses | | | | |
| Business development | 11,274 | 52,355 | 43,930 | 74,438 |
| Consulting and management fees | 185,784 | 193,667 | 539,474 | 589,171 |
| Depreciation | 3,896 | 3,395 | 11,158 | 18,104 |
| Exploration and evaluation expenditures | 8,557 | 487,678 | 228,154 | 1,031,217 |
| Foreign exchange loss (gain) | (143,089) | 6,702 | (139,767) | (120,920) |
| Graphite processing costs | 647,657 | - | 1,289,121 | - |
| Information technology | 26,384 | 49,267 | 83,131 | 96,449 |
| Investor relations and shareholder communications | 5,296 | 14,555 | 18,217 | 88,999 |
| Office and miscellaneous | 123,801 | 10,505 | 367,476 | 178,175 |
| Professional fees | 33,541 | 101,191 | 208,714 | 356,183 |
| Share-based payments | 13,363 | 46,176 | 502,264 | 169,973 |
| Security and site operating costs | 41,842 | 129,901 | 210,495 | 129,901 |
| Transfer agent and filing fees | 6,680 | 7,205 | 29,944 | 28,809 |
| Travel, vehicle and transportation | 19,697 | 52,157 | 67,160 | 198,235 |
| Wages and support staff | 122,423 | 263,252 | 604,156 | 697,316 |
| Operating loss | (1,107,106) | (1,418,006) | (4,063,627) | (3,536,050) |
| Finance expense | (169,122) | (302,994) | (478,084) | (901,207) |
| Gain on settlement of management bonus with equity | - | - | 42,766 | - |
| Allowance against input tax credits | (40,549) | - | (117,994) | - |
| Fair value adjustment of derivative warrant liabilities | 254,956 | - | 2,531,325 | - |
| Interest income | 579 | 34,430 | 16,768 | 139,703 |
| Net loss | (1,061,242) | (1,686,570) | (2,068,846) | (4,297,554) |

Q3 2025 compared to Q3 2024

Net loss decreased to \$1,061,242 compared to \$1,686,570 in the prior year comparable period due to the following primary drivers:

- Exploration and evaluation expenditures decreased to \$8,557 compared to \$487,678 in the prior year comparable period due to reduced exploration and evaluation activities in the current period as the Company focused on the operations of the Santa Cruz mine. The expenditures in the prior year comparable relate to the PEA study for the BamaStar Graphite Project which was completed shortly after the end of the prior year comparable period.
- Foreign exchange was a gain of \$143,089 compared to a loss of \$6,702 in the prior year comparable period primarily due to the strengthening of the USD against the currencies in which the Company transacts.
- Professional fees decreased to \$33,541 compared to \$101,191 in the prior year comparable period primarily due to lower audit fees related to interim testing procedures as well as lower general legal support costs.
- Security and site operating costs decreased to \$41,842 compared to \$129,901 in the prior year comparable period due to a lower level of activity needed to support systems for the Santa Cruz project in the current phase of operations as compared to the prior year comparable period when installations were ongoing.
- Wages and support staff decreased to \$122,423 compared to \$263,252 in the prior year comparable period due to a lower level of activity needed to support systems for the Santa Cruz project in the current phase of operations as compared to the prior year comparable period when activities were focused on completing the Santa Cruz plant.
- Finance expense decreased to \$169,122 compared to \$302,994 in the prior year comparable period due to a lower effective interest rate on the financing component of the Sprott Stream, calculated based on expected deliveries against the deferred revenue, in the current period.
- Fair value adjustment of derivative warrant liabilities was a gain of \$254,956 due to the non-cash adjustment of the fair value of warrants exercisable in CAD following the change in the Company's presentation currency to USD during the year ended December 31, 2024. This gain is primarily driven by the decrease in the Company's share price, thereby reducing the value of the potential warrant exercise.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

Partially offsetting the decrease in net loss were increases to certain expenses as follows:

- Graphite processing costs increased to \$647,657 from \$nil in the prior year comparable period and includes impairment charges on inventory as well as costs that would otherwise be included the carrying value of inventory such as onsite labour, materials and contractor costs. The Company is working to put the plant and processing systems into a working threshold that meets expected plant capacity and recovery.
- Office and miscellaneous increased to \$123,801 compared to \$10,505 in the prior year comparable period due to the expansion of the team to support the operations at the Santa Cruz mine.
- Allowance against input tax credits increased to \$40,549 from \$nil in the prior year comparable period due to the recording of an allowance against Programa de Integracao Social ("PIS") and Contribuicao para o Financiamento da Seguridade Social ("COFIN") taxes in Brazil which may be recovered and offset in the future, the timing of which is uncertain.

YTD 2025 compared to YTD 2024

Net loss decreased to \$2,068,846 compared to \$4,297,554 in the prior year comparable period due to the following primary drivers:

- Consulting and management fees decreased to \$539,474 compared to \$589,171 in the prior year comparable period due to the non-recurring additional support for the engagement with the US government for funding opportunities which has since been terminated.
- Exploration and evaluation expenditures decreased to \$228,154 compared to \$1,031,217 in the prior year comparable period due to reduced exploration and evaluation activities in the current period as the Company focused on the operations of the Santa Cruz mine. The expenditures in the prior year comparable relate to the PEA study for the BamaStar Graphite Project which was completed shortly after the end of the prior year comparable period.
- Investor relations and shareholder communications decreased to \$18,217 compared to \$88,999 in the prior year comparable period due to reduced spend on news releases, marketing programs and resources in the current period.
- Professional fees decreased to \$208,714 compared to \$356,183 in the prior year comparable period due to lower general legal support fees as well as the non-recurring work on tax advisory over sales jurisdictions and tax structure which was completed in the prior period.
- Travel, vehicle and transportation decreased to \$67,160 compared to \$198,235 in the prior year comparable period due to decreased relative activity as the Company focused on the operations of the Santa Cruz mine.
- Wages and support staff decreased to \$604,156 compared to \$697,316 in the prior year comparable period due to a lower level of activity needed to support systems for the Santa Cruz project in the current phase of operations as compared to the prior year comparable period.
- Finance expense decreased to \$478,084 compared to \$901,207 in the prior year comparable period due to a lower effective interest rate on the financing component of the Sprott Stream, calculated based on expected deliveries against the deferred revenue, in the current period.
- Gain on settlement of management bonus with equity of \$42,766 due to a non-recurring gain on the issuance of RSUs to the former CEO as settlement of the bonus accrued as of December 31, 2024.
- Fair value adjustment of derivative warrant liabilities was a gain of \$2,531,325 due to the non-cash adjustment of the fair value of warrants in CAD following the change in the Company's presentation currency to USD during the year ended December 31, 2024. This gain is primarily driven by the decrease in the Company's share price, thereby reducing the value of the potential warrant exercise.
- Interest income decreased to \$16,768 compared to \$139,703 in the prior year comparable period due to the lower cash balances during the current fiscal year resulting in lower interest income.

Partially offsetting the decrease in net loss were increases to certain expenses as follows:

- Graphite processing increased to \$1,289,121 from \$nil in the prior year comparable period and includes impairment charges on inventory as well as costs that would otherwise be included the carrying value of inventory such as onsite labour, materials and contractor costs. The Company is working to put the plant and processing systems into a working threshold that meets expected plant capacity and recovery.
- Office and miscellaneous increased to \$367,476 compared to \$178,175 in the prior year comparable period due to the expansion of the team to support the operations at the Santa Cruz mine.
- Share-based payments increased to \$502,264 compared to \$169,973 in the prior year comparable period due to the vesting of more stock options, restricted share units, and deferred share units in the current period.
- Security and site operating costs increased to \$210,495 compared to \$129,901 in the prior year comparable period due to the expansion of the team to support the operations at the Santa Cruz mine.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

- Allowance against input tax credits increased to \$117,994 from \$nil in the prior year comparable period due to the recording of an allowance against PIS and COFIN taxes in Brazil which may be recovered and offset in the future the timing of which is uncertain.

QUALIFIED PERSON

Marc Leduc, P. Eng., Chairman of South Star Battery Metals Corp., is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, and was responsible for verifying the scientific and technical information herein and has read and approved this MD&A.

LIQUIDITY

As of September 30, 2025, the Company had cash and cash equivalents balance of \$16,010 (December 31, 2024 - \$2,091,299) to settle accounts payable and accrued liabilities of \$1,497,273 (December 31, 2024 - \$954,116). Included in short-term liabilities is \$91,875 (December 31, 2024 - \$865,642) in deferred revenue related to the estimated deliveries of graphite under the Stream Agreement over the next twelve-month period and the fair value of derivative warrant liabilities of \$104,681 (December 31, 2024 - \$2,636,006) which are not eligible to be settled in cash.

Subsequent to September 30, 2025, the Company completed a non-brokered financing for gross proceeds of \$4,800,000 (C\$6,672,000) (see "Corporate Highlights"). The Company requires additional funding to continue to operate. The Company's liabilities include the long-term portion of the deferred revenue deliverable under the Stream Agreement and an estimate of the Company's decommissioning liability at the end of the Santa Cruz life of mine. The discounted carrying value of the decommissioning liability is \$486,295 (December 31, 2024 - \$438,125). The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is \$1,286,335 which has been discounted using a pre-tax risk-free rate of 14.25% as published by the Central Bank of Brazil for government instruments of a remaining term equal to the decommissioning liability expected payment timing and an inflation rate of 5.48%. The present value of the decommissioning liability may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

With the exception of the Phase 1 Stream, the Company has financed its operations primarily through the issuance of common shares and convertible debentures. The Company will continue to seek capital to fund its business objectives which include Phase 1 Santa Cruz operations, and exploration and engineering studies related to both the Santa Cruz and the BamaStar Graphite Projects. Based on projected administrative and project expenditures for the next twelve months, the Company requires additional financing to continue to operate.

A summary of the Company's cash flows is as follows:

| | Nine months ended September 30, | |
|---|------------------------------------|------------------|
| | 2025 | 2024 |
| | \$ | \$ |
| Cash used in operating activities | (3,043,496) | (3,143,445) |
| Cash used in investing activities | (457,052) | (4,052,436) |
| Cash provided by financing activities | 1,527,076 | 5,022,056 |
| Effect of exchange rate changes on cash | (101,817) | (314,622) |
| Change in cash and cash equivalents | (1,973,472) | (2,173,825) |
| Cash and cash equivalents, beginning of the period | 2,091,299 | 4,877,627 |
| Cash and cash equivalents, end of the period | 16,010 | 2,389,180 |

Cash used in operating activities was \$3,043,496 compared to \$3,143,445 in the prior year comparable period. Operating activities reflect cash consumed in its regular development, exploration, and corporate activities. Cash used during the nine months ended September 30, 2025, was lower mainly due to lower exploration and evaluation expenditures compared to the prior year comparable period as the Company focused on operations at the Santa Cruz Mine.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

Cash used in investing activities was \$457,052 compared to \$4,052,436 in the prior year comparable period. Primary expenditures during the current period related to mine development at the Santa Cruz Mine. In the prior year comparable period the Company was investing in the construction of plant facilities and mine development at the Santa Cruz mine as well as completing its land acquisition.

Cash provided by financing activities was \$1,527,076 compared to \$5,022,056 in the prior year comparable period. In the current period the Company closed two private placements for net proceeds of \$1,077,076 and received proceeds of \$450,000 from the Notes. In the prior year comparable period the Company closed one private placement for net proceeds of \$4,797,922 and received proceeds of \$231,599 from the exercise of warrants.

CAPITAL RESOURCES

The Company entered into the Stream Agreement with the Phase 1 Stream closing in November 2022. Consequently, the Company recognized a deferred revenue obligation of \$10 million which is presented as liability on the consolidated statement of financial position.

The Company will continue to seek capital to advance its business objectives as defined above in "Outlook". In the past the Company has raised capital in the public markets by issuing common shares pursuant to private placements. Based on projected administrative and project expenditures for the next twelve months, the Company requires additional financing to continue to operate. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2025.

A summary of the Company's use of proceeds is as follows:

| Period | Gross proceeds from financing | Intended use of proceeds | Actual use of proceeds |
|-------------------------|--------------------------------------|---|---|
| February and March 2024 | \$4,966,413 (C\$6,697,103) | Accelerating exploration, development, construction activities, corporate G&A and general working capital requirements. | The funds were used as intended in 2024 toward the Santa Cruz plant. The Company was able to complete its preliminary economic assessment study on the BamaStar Graphite Project. |
| December 2024 | \$2,120,550 | Exploration, development, corporate G&A and general working capital requirements. | The funds were used as intended in Brazil for the enhancement of the Santa Cruz plant processes and for general working capital requirements. |
| January 2025 | \$879,450 | Exploration, development, corporate G&A and general working capital requirements. | The funds were used as intended for the enhancement of the Santa Cruz plant processes and general working capital requirements. |
| August 2025 | \$312,610 | Development and production, as well as corporate general working capital requirements. | The Company intends to use the funds as presented. |
| November 2025 | \$4,800,000 | Development and production, as well as corporate general working capital requirements. | The Company intends to use the funds as presented. |

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2025, and the MD&A Date, the Company has no off-balance sheet arrangements.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

A summary of the Company's related party transactions is as follows:

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|---------|------------------------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Consulting and management fees | 175,583 | 102,392 | 530,804 | 311,497 |
| Share-based compensation from the vesting of options | - | - | 369,824 | - |
| Share-based compensation (recovery) from the vesting of RSUs | (7,700) | 46,176 | - | 169,973 |
| Share-based compensation from the vesting of DSUs | 14,009 | - | 70,865 | - |
| Share-based payments to settle management bonus | 30,412 | - | 76,360 | - |
| | 212,304 | 148,568 | 1,047,853 | 481,470 |

Consulting and management fees include fees paid to Invictus Accounting Group LLP, a Company in which the Company's CFO, Darren Prins, is a partner; the former CEO, Richard Pearce; the former Vice President of Operations, Richard Vigil; and to Red Fern consulting Ltd., a Company in which the former CFO, Samantha Shorter is a significant shareholder.

Included in accounts payable and accrued liabilities as at September 30, 2025 is \$328,415 (December 31, 2024 - \$213,594) due to current officers, directors or companies with a director in common for cash advances, unpaid consulting fees, and unpaid expenses. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

Included in loans payable as at September 30, 2025 is \$461,595 of bridge loans due to directors and the former CEO of the Company (December 31, 2024 - \$nil). During the three and nine months ended September 30, 2025, interest expense from the Notes was \$11,595 and \$11,595, respectively (2024 - \$nil and \$nil, respectively).

On February 11, 2025, 387,889 restricted share units ("RSUs") with a fair value of \$120,648 of were granted to settle outstanding amounts payable to the former CEO of the Company. During the three and nine months ended September 30, 2025, the Company recognized share-based payments of \$30,412 and \$76,360, respectively (2024 - \$nil and \$nil, respectively) from the vesting of these RSUs to reduce the remaining amounts payable.

PROPOSED TRANSACTIONS

As at September 30, 2025, and the MD&A Date, the Company has no proposed transactions.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS[®] Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates is pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

All significant accounting judgements and sources of estimation uncertainty are fully disclosed in the Annual Financial Statements.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial assets and liabilities consist of cash and cash equivalents, accounts payable and accrued liabilities, loans payable, and derivative warrant liabilities.

All financial assets and liabilities of the Company are measured at amortized cost. The Company's derivative warrant liabilities are classified as fair value through profit or loss. The derivative warrant liabilities are recorded at fair value using unadjusted quoted prices in active markets and are therefore classified as level 3 within the fair value hierarchy.

The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values because of their short-term nature or are subject to insignificant movements in fair value. On initial recognition, the fair values of the Company's loans payable were determined using the discounted cash flow method which involves discounting future cash flows at a risk-adjusted discount rate.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash and cash equivalents.

Cash and cash equivalents consists of bank deposits. The Company mitigates credit risk related to cash by transacting exclusively with sound financial institutions. The Company considers credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As at September 30, 2025, the Company had cash and cash equivalents of \$16,010 (December 31, 2024 - \$2,091,299) in order to meet its current liabilities of \$2,155,424 (December 31, 2024 - \$4,455,764). As at September 30, 2025, management has assessed the liquidity risk as high. Subsequent to September 30, 2025, the Company completed a non-brokered private placement for gross proceeds of \$4,800,000.

A summary of the Company's contractual undiscounted cash flow requirements as at September 30, 2025, is as follows:

| | < 1 year | 1 - 2 years | 2 - 5 years | >5 years | Total |
|--|------------------------|------------------------|------------------------|------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Accounts payable and accrued liabilities | 1,497,273 | - | - | - | 1,497,273 |
| Loans payable | 461,595 | 212,196 | - | - | 673,791 |
| | 1,958,868 | 212,196 | - | - | 2,171,064 |

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Foreign exchange risk

The Company's main project is in Brazil with local operations. As such, the Company is exposed to foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar, United States dollar and the Brazilian real ("BRL") may have an adverse effect on the Company's business. The Company does not enter into any foreign exchange hedging contracts.

SOUTH STAR BATTERY METALS CORP.**Management's Discussion & Analysis**

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

A summary of the foreign exchange exposure on the financial assets and financial liabilities of the Company and its subsidiaries against their respective functional currencies, expressed in the presentation currency, as at September 30, 2025 is as follows:

| | CAD | BRL |
|--|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents | 15,517 | 357 |
| Financial liabilities | | |
| Accounts payable and accrued liabilities | (212,253) | (848,025) |
| Derivative warrant liabilities | (104,681) | - |
| | <u>(316,934)</u> | <u>(848,025)</u> |
| Net financial liabilities | (301,417) | (847,668) |

A 10% strengthening in in the USD against CAD would change the Company's net loss and comprehensive loss by approximately \$30,142 (December 31, 2024 - \$30,700), and a 10% strengthening in the USD against BRL would change the Company's net loss and comprehensive loss by approximately \$84,767 (December 31, 2024 - \$40,700)

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in high-interest bank accounts and investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at September 30, 2025, the Company did not have any interest-bearing debt whose interest rates fluctuate with market interest rates.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The significant financing component in of the deferred revenue will fluctuate based on the price of graphite over the life of the Agreement and is susceptible to price risk. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company

OUTSTANDING SHARE DATA

A summary of the Company's outstanding share data is as follows:

| | September 30, 2025 | MD&A Date |
|------------------------|-----------------------|--------------------------|
| Common shares | 61,933,223 | 108,400,944 |
| Stock options | 2,782,000 | 700,000 |
| Warrants | 31,047,669 | 74,327,668 |
| Restricted share units | 477,889 | 477,889 |
| Deferred share units | 360,000 | 360,000 |

A total of 2,082,000 options expired as the result of the holders no longer working with the Company and 1,200,000 warrants expired unexercised.

RISKS AND UNCERTAINTIES

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2024, and 2023.

SOUTH STAR BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended September 30, 2025 and 2024

(Expressed in United States dollars, except where noted)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking information.

When used in this MD&A, the words "estimate", "plan", "continue", "anticipate", "might", "expect", "project", "intend", "may", "will", "shall", "should", "could", "would", "predict", "forecast", "pursue", "potential", "believe" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such forward-looking information include information pertaining to, without limitation: the ability to finance additional construction costs on schedule and on terms acceptable to the Company; the realization of mineral resource and mineral reserve estimates; the timing and amount of estimated future production; the impact of inflation on costs of exploration, development and production; estimated production and mine life of the various mineral projects of the Company; the benefits of the development potential of the properties of the Company; the future price of gold and silver; the market and global demand for gold and silver; the estimation of mineral reserves and resources; success of exploration activities; currency exchange rate fluctuations; labour availability, costs and conditions; supply chain elasticity; inherent hazards associated with mining operations; costs of production, expansion of production capabilities; the ability to obtain surface rights to support planned infrastructure at the Corporation's exploration and development projects; requirements for additional capital; government regulation of mining operations; environmental risks and hazards; title disputes or claims; and limitations on insurance coverage.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include: the availability and changing terms of financing; variations in ore grade or recovery rates; changes in market conditions, including, but not limited to, supply chain issues and inflation; risks relating to the availability and timeliness of permitting and governmental approvals; risks relating to international operations; fluctuating metal prices and currency exchange rates; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; labour disputes; and other risks of the mining industry, including but not limited to, the failure of plant, equipment or processes to operate as anticipated. For a more detailed discussion of these factors and other risks, see "Risks and Uncertainties" and the Company's most recent Annual Information Form that is available on the Company's profile on SEDAR+ at www.sedarplus.ca.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. Except as required by law, the Company does not assume the obligation to revise or update forward looking information after the date of this document or to revise such statements to reflect the occurrence of future unanticipated events.