South Star Announces Upsize and Closing of First Tranche of Non-Brokered Private Placement of Shares

- NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE SERVICES -

VANCOUVER, B.C., May 15, 2026 – South Star Battery Metals Corp. ("**South Star**" or the "**Company**") (TSXV: STS) (OTCQB: STSBF) is pleased to announce that the Company has increased the size of its previously announced non-brokered private placement of common shares (the "**Share Offering**") from CAD $4,000,000 to up to CAD $4,800,000. The upsized Share Offering will now consist of up to 32,000,000 common shares (the "**Shares**") at a price of CAD $0.15 per Share. The increase in the size of the Share Offering was driven primarily by strong investor demand, with the order book remaining oversubscribed even after the increase from the originally announced size. All other terms of the Share Offering remain unchanged from those set out in the Company's news release dated May 6, 2026 (the "**Initial News Release**").

The Company is also pleased to announce that it is moving to close the first tranche of the Share Offering, issuing 15,413,333 Shares at a price of CAD $0.15 per Share for gross proceeds of CAD $2,312,000 (the "First Closing"). The First Closing remains subject to conditional approval by the TSX Venture Exchange (the "TSXV"). The Company anticipates closing the second and final tranche of the Share Offering on or before May 29, 2026 (the "Final Closing"). The Final Closing remains subject to final approval by the TSXV.

The Shares are subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities laws. Net proceeds from the Share Offering will be used to support the continued scaling and advancement of the Company's operations, including the execution of capital expenditures associated with the planned expansion of the Santa Cruz graphite operation toward a production capacity of 10,000 tonnes per annum, as well as for corporate general and administrative expenses and general working capital purposes. The first tranche of the Share Offering remains subject to final approval of the Exchange.

The Company anticipates closing one or more additional tranches of the Share Offering in the coming weeks, the closing of which remain subject to customary conditions, including the receipt of all necessary corporate and regulatory approvals, including approval of the Exchange.

All of the Shares issued in the first tranche of the Share Offering were purchased by a fund directed and controlled by Mr. Tiago Cunha, interim CEO, President and a director of the Company, resulting in Mr. Tiago Cunha having direction and control of 38.23% of the Company's issued and outstanding shares. Such insider participation constitutes a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) thereof, as the fair market value of the securities subscribed for does not exceed 25% of the Company's market capitalization.

Tiago Cunha, Interim CEO, states, "in connection with the upsizing of the Share Offering and the strong participation from existing shareholders seeking to maintain their proportional ownership interests, my

fund agreed to reduce its participation in the financing in order to accommodate strategic shareholder demand."

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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 is anticipated to be put into production. Brazil is the third largest graphite producing region in the world with more than 80 years of continuous graphite mining. With excellent infrastructure and logistics, Santa Cruz is slated to be the newest graphite producer in the Americas. 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.

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, the completion of subsequent tranches of the Share Offering, the anticipated gross proceeds and the use of proceeds

therefrom, the timing and receipt of shareholder approvals, 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.