



## NEWS RELEASE

### **South Star Battery Metals Announces 2022 Year in Review and 2023 Catalysts**

**Vancouver, Canada**, February 27, 2023 – South Star Battery Metals Corp. (“South Star” or the “Company”) (TSXV: STS) (OTCQB: STSBF), is pleased to provide the Company’s 2022 year in review and 2023 catalysts.

Happy 2023 to everyone! As I reflect on 2022, Charles Dickens’ classic line from *Tale of Two Cities* comes to mind (bad pun intended), “It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to heaven, we were all going direct the other way.” South Star had a watershed year and achieved much, thanks to a lot of grit, hard work, sweat and tears from everyone involved. But, no denying 2022 was a challenging year for the equity markets, and South Star shareholders were no exception.

In 2022, South Star successfully finalized the Phase 1 financing and is fully funded for Phase 1 construction. Our team is focused on construction that will result in our Santa Cruz Mine achieving commercial production by yearend 2023. We will deliver on our commitment to being the first new graphite production in the Americas since 1996. **Santa Cruz is one of only three projects in the world that I know of that are bringing new capacity to the markets in 2023.** In addition, our initial BamaStar work program was successful and advanced our goal towards vertically integrated, commercial production in 2027.

I thought we would start this review by going through the key milestones laid out in our [2021 EOY Summary](#) and benchmark the progress made. Transparency is essential, and shareholders should be provided a clear understanding of the board/management’s goals and priorities. It should also be clear how the strategy will build value over time for shareholders, stakeholders, clients, and the communities in which we operate.

2022 was a strong operational year for South Star, and I’m pleased the team achieved a majority of our stated goals, despite a difficult equity market. The milestones we still need to reach fully are much closer to completion, especially the longer lead-time items. South Star laid out the following in the 2021 summary:

#### **2022 Goals/Catalysts Santa Cruz Graphite Mine (Brazil):**

- ✓ **CAPEX Phase 1 Financing** – *We are fully funded for Phase 1 CAPEX and partially funded for Phase 2 CAPEX.*
- ✓ **Phase 1 Start of Construction** – *We mobilized contractors for civil and earthworks in December of 2022 and made down payments on most of the major equipment to lock in CAPEX. Santa Cruz has a 12-month construction and commissioning schedule.*
- **Phase 1 Commissioning & Start of Commercial Production** – *We are currently on schedule to have the Phase 1 facilities commissioned and ready for 420t/month capacity in Dec. 2023.*
- **Exploration and Resource/Reserves Expansion** – *We had the geophysics team in the field in November 2022, and we will have drills turning midyear 2023*

*(approximately 3,000-4,000m) to expand our current resources and reserves to extend the mine life.*

- ✓ **Value-add product optimizations** – *We confirmed our process flowsheet. We also generated and shipped 100g samples of various product samples to potential clients. Those samples are in evaluation.*
- **Value-Add Process Trade-off study with conceptual level CAPEX/OPEX** – *The contracts are currently being negotiated, and we will kick off the study in Q2 2023 comparing thermal, chemical and caustic purification technologies, as well as shaping and coating technologies, and develop conceptual CAPEX/OPEX for each alternative. This will be part of the upcoming 43-101 PEA study.*
- **Environmental Permitting and Mining License for Phases 2 (25,000 tpy concentrate) and Phase 3 (50,000 tpy concentrate)** – *All the documentation for the definitive mining licenses incorporating Phases 2 & 3 for all the 13 mining concessions have been submitted to the Brazilian Mining Authorities and are in technical evaluation. The environmental field work for Phases 2 & 3 is complete, and the draft reports are expected in February 2023. We plan to submit the Phases 2 & 3 environmental reports and documentation in March 2023. Our goals are to have both the mining and environmental permits and licenses required for Phases 2 & 3 approved in 2023 before finalizing the commissioning of Phase 1 operations.*
- **Commercial Agreements** – *We have executed several non-binding LOIs, but no signed firm offtake agreements in place. We have several advanced conversations currently ongoing for Phase 1 production.*

#### **2022 Goals/Catalysts BamaStar Graphite Project (U.S.):**

- ✓ **Exploration & Drilling Program** – *We completed our maiden drilling program with 12 holes totaling 506 meters. All holes intercepted major intervals with grades typically ranging from 1.5% to 4.5% Cg and consistent mineralized zones.*
- **Maiden Resource Definition** – *The resource estimate and 43-101 report are underway, and we are scheduled to release the results in March 2023.*
- **Preliminary Environmental Characterization** – *We reprioritized a larger metallurgical testing program to process 3 tonnes instead of 1 tonne of ore through the pilot plant testing program in order to generate more concentrate samples for downstream testing. This has been replanned to be part of upcoming 43-101 PEA study.*
- ✓ **A metallurgical testing program to create approximately 15kg of concentrate and initial value-add testing program.** – *3 tonnes of ore were successfully processed through the pilot plant testing program at the Mineral Research Laboratory of North Carolina State University and confirmed the bench scale testing results and flowsheet. The pilot plant generated approximately 25-30kg of 94% Cg concentrates that will be used for characterization of physiochemical properties and advanced value-add/battery testing.*

While it was a productive year, 2022 proved to be a very difficult year for the equity markets, and South Star was no exception. From a treasury, operational and executional standpoint, we advanced significantly on our path to production. But as Ross Beaty recently said, “2022 was an absolutely godawful year,” both for metals and companies working in the mining sector. Our



delay in starting construction and drilling in 2022 was primarily due to the difficult equity market conditions with liquidity levels highly compromised. The buck stops with me for the delays. But having said that, I am incredibly proud of our team for getting our equity financing completed in 2022, which enabled us to meet our condition precedents for Sprott's US\$10M Phase 1 release. We ended 2022 with Phase 1 construction underway and almost C\$18M on the balance sheet with no debt. Despite the difficult equity markets, I am very pleased with our accomplishments. I am more convinced than ever that South Star is on the verge of a transformational 18 to 24 months that will establish the growth potential and positive trajectory of the Company for the next decade.

#### **5- TO 7-YEAR STRATEGIC PLAN – VERTICALLY INTEGRATED PRODUCTION IN THE AMERICAS**

South Star's 5- to 7-year strategic plan forecasts Santa Cruz and BamaStar each producing 50,000 tpa of high-quality graphite concentrates. Part of this production will be directed to a value-add plant in the southeast corridor of the U.S. producing 50-70,000 tpa of following value-add products:

- Micronized, purified graphite;
- Coated/uncoated SPG; &
- Expandable/Expanded graphite.

Our concentrate plants will be modular in nature to allow standardization of the supply chain and maintenance requirements. The modular design will reduce OPEX and accelerate construction while guaranteeing continuity in CAPEX and the quality of the finished product. The development will be phased so we can ensure profitability, and leverage our future balance sheet with a reasonable cost of capital to minimize dilution. The goal is to deliver a broad range of diversified products that can be profitably produced and provide a risk-reduced return on our investments. The location of the value-add plant will be a function of required power type and costs, logistics as well as supply chain considerations. Ideally, it will be located near our BamaStar project, which will supply most of the feedstock.

We have scalable, low capital intensity assets, with first quartile OPEX, and fantastic access to existing infrastructure and logistics, entering the production stage in strategic jurisdictions at a time when the supply and demand are essentially out of balance. We also have the right team of builders and operators to deliver high-quality products to the markets. We will be producing and generating cash flow in 2023/2024 at Santa Cruz and intend to scale as quickly as possible with a very reasonable cost of capital based on a risk-averse, disciplined approach. Alabama provides the next project in the pipeline in a fundamental strategic jurisdiction.

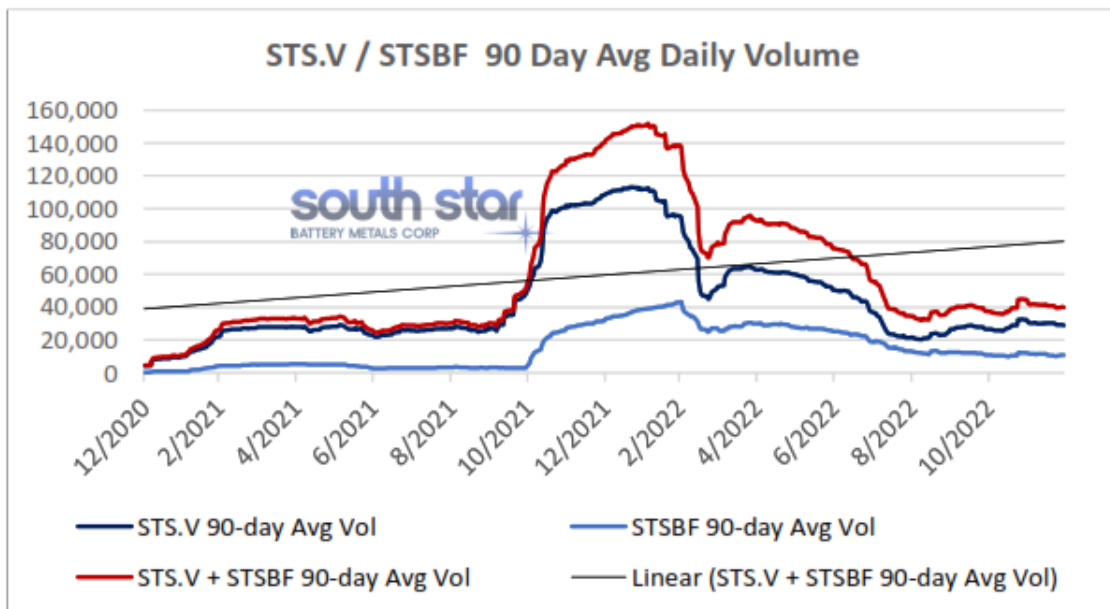
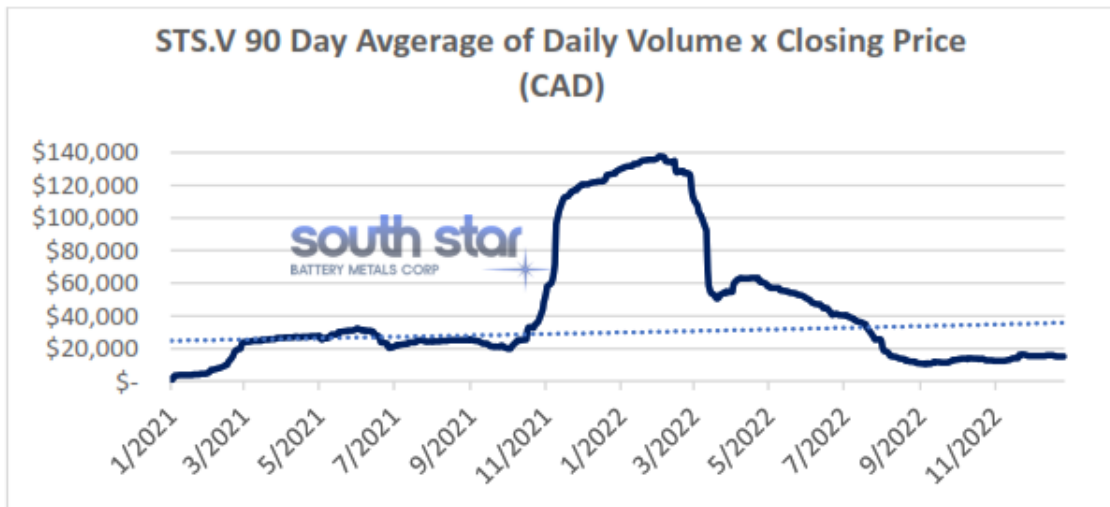
We are working hard to position the Company to deliver very real, long-term, sustainable returns for shareholders and partners based on producing safely, responsibly, and profitably while bringing good value to the marketplace and stakeholders. Safety, environmental compliance, community involvement, cash flows, P&Ls, and balance sheets will be our scorecard.

#### **SHARE STRUCTURE, STOCK PERFORMANCE, AND SHARE LIQUIDITY**

- Shareholders had a challenging period with STS.V/STSBF in 2022. We started the year at a post-consolidation share price of C\$1.65 and finished at C\$0.55 or a 66.7% share price

decline over the 12 months. For comparison, S&P was down 18.1%, iShares Micro-Cap ETF (IWC) was down 21.93%, and EQM’s Lithium and Battery Tech Index was down 32%.

- Share liquidity for STS.V/STSBF declined significantly in 2022, especially compared to the last quarter of 2021. The trend line for volumes for a combined STS.V/STSBF has steadily increased from a January 2020 3-month daily average of approximately 4,500 representing a daily value of approximately C\$1,125, to a December 2022 3-month daily average of 40,000 shares traded equating to a daily value of about C\$22,000. Of note, U.S. buying continues to increase from basically zero in January 2021 to account for approximately 25-30% of the daily traded value by yearend 2022.



- STS.V market capitalization has grown from C\$2.15M (12/2020) to C\$33.7M (12/ 2021) and now to C\$18.5M yearend 2022. Insiders own approximately 12% of shares outstanding.



STS Cap Table EOY 2021 and 2022 Post-consolidation		December 31, 2021	December 31, 2022
Common Shares Outstanding:		20,417,678	32,755,278

Stock Options Outstanding			
\$	1.50	180,000	-
\$	2.25	100,000	80,000
\$	0.75	18,000	18,000
\$	0.28	497,000	462,000
\$	1.25	24,000	24,000
\$	0.41	-	835,000
\$	0.62	-	100,000

Warrants Outstanding			
\$	0.75	2,631,000	2,626,000
\$	0.75	1,887,018	1,863,018
\$	0.30	1,120,000	1,060,000
\$	0.75	4,472,800	4,472,800
\$	1.25	-	3,468,890
\$	1.25	-	4,365,096
\$	0.53	-	69,194
\$	1.25	-	4,390,000
\$	0.53	-	73,300
\$	0.72	-	1,200,000

Fully Diluted Shares:	31,347,496	57,862,576
Share Price (CAD): \$	1.65	\$ 0.55
Market Cap (CAD):	33,689,169	18,015,403

- Closed US\$28M Streaming Agreement with Sprott Resource Streaming and Royalty Corp for a total cash consideration of up to US\$28 million as prepayment for graphite concentrates from the Santa Cruz Graphite Project ("Santa Cruz or Project") in Brazil. South Star will act as sales agent for SRSR on the percentage of production subject to the Agreement.
- Completed a 5:1 share consolidation, which reduced the number of common shares issued and outstanding from 102,533,520 to approximately 20,506,704 common shares after rounding adjustments.
- Successfully raised C\$6.5M in equity during 2022 through two private placements.
- US\$10M was released by Sprott for Phase 1 CAPEX at Santa Cruz.

### **BALANCE SHEET & EXPENSES**

Despite challenging equity and capital markets conditions, we are closing 2022 in our best financial shape to date as we significantly improved our balance sheet and working capital through two successful private placements, in addition to the release of the US\$10M from Sprott. We finished 2022 fully funded for Phase 1 construction at Santa Cruz, contractors mobilized and earthworks/civil infrastructure underway. With a planned 12-month construction and commissioning schedule, Phase 1 commercial production is expected to begin in December of 2023. We also successfully advanced the BamaStar project and met our required annual spend to maintain the earn-in agreement in good standing.

We are still in the process of closing 2022 financials, but based on initial unaudited results our balance sheet has drastically improved. At the end of 2021, current assets were C\$3.6M, including C\$3.5M in cash. On the debit side, payables were C\$415,000. We closed 2021 with a working capital surplus of C\$3.2M.



**STS expects to close 2022 with a working capital surplus of around C\$16.2M, which is a positive swing of C\$13.0M compared to 2021.** This financial strength results from two successful private placements and Sprott's Phase 1 release. **STS will close 2022 with Current Assets around C\$17.4M including C\$17.3M in cash.** On the debit side, there is zero debt and current liabilities are approximately C\$1.2M, most of which is associated with the balance of the land purchase agreements in Brazil.

2022 expenses totaled C\$4.7M or an average monthly burn of C\$390,000. **In 2022, we spent a total of C\$4.2M in Canada and Brazil, or an average monthly burn of C\$350,000. Excluding project development costs, the current monthly burn rate is approximately C\$275,000.** We have added some additional professionals to assist in scaling the operations along with our team that is in place to construct Phase 1 and subsequently oversee operations. Our Santa Cruz operations management team is almost entirely in place. The three categories of largest expenditures in 2022 included the project development of Santa Cruz and the BamaStar projects as well as investor relations. We continue to work diligently on investor relations, business development and raising the profile of the Company. While our investor engagement efforts were moderated by extremely challenging market conditions, we have been successful in growing awareness and building a core investor base which enabled us to fully fund construction. We are confident that our efforts will result in a fair valuation as we continue to advance as quickly as possible to positive operating cash flows at Santa Cruz and emerge as the first new graphite production in the U.S. in the great state of Alabama, with production estimated in 2027.

#### **MARKET SUPPLY/DEMAND & GRAPHITE PRICING**

I believe that 2023 will be a watershed year for graphite pricing with the first year of a structural deficit in supply while demand is growing exponentially. Graphite market highlights from Benchmark Mineral Intelligence and other sources follow:

- 2022 saw the -100# graphite concentrate prices rise around 25% and that trend is expected to continue into 2023 and beyond.
- Demand for natural flake graphite continues to grow at about >20% CAGR.
- Demand for anodes grew by 46% in 2022, compared to a 14% growth in supply for flake graphite.
- Natural graphite anode material supply will grow by 95 percent by 2030, with demand increasing by 450 percent over the same period.
- Global graphite supply deficit of around 105,000tpa in 2023 as global demand grows to approximately 1.4M-1.5M tpa. This deficit is expected to widen over the next 4-5 years and requires 8-10 years to resolve.
- The U.S. markets alone will require around 700-900k tpa of graphite concentrates by 2030 while current production is zero tpa.
- Permitting and licensing projects continue to be a bottleneck globally and constrain near-term production.

In summary, there is a significant imbalance in supply and demand. A CAGR of approximately >20% is estimated in graphite markets over the next decade, which suggests that 10-15 new average-sized mines must come online to meet demand by 2025 and then double again by 2030.



Benchmark Minerals estimates 97 average-sized mines are needed to come online by 2035 to meet demand. Whatever the final number, it still takes 8-12 years to bring a typical mine into production from discovery. Supply will continue to be constrained for the foreseeable future.

Given this bullish outlook, it is an exciting time to deliver on our commitment and bring Santa Cruz online to deliver very high-quality material in a proven producing district. We are working towards bringing BamaStar online a few years behind Santa Cruz with first production planned for 2027. We expect to be one of the first movers in new production and to be in the first quartile of costs. Santa Cruz is projected to generate operating profits during Phase 1 and grow more profitable as we scale to Phases 2 & 3.

China & the rest of Asia will continue to dominate the battery metals supply chain for the foreseeable future and graphite is no exception. The region produces roughly 60-70% of global graphite concentrates and nearly 100% of all LiB active anode materials. This is a major macro trend that will take time to evolve. It’s also conceivable that the price of fines will overtake the price of midsize fraction in 2023, which would add pressure to industrial applications as more miners grind their medium flake material to deliver fines.

FLAKE GRAPHITE	CURRENT	LAST	CHANGE
-100 MESH, 90-93% C, FOB CHINA	\$638	\$638	0.0%
+100 MESH, 90-93% C, FOB CHINA	\$845	\$840	0.6%
-100 MESH, 94-95% C, FOB CHINA	\$813	\$813	0.0%
+100 MESH, 94-95% C, FOB CHINA	\$920	\$895	2.8%
+80 MESH, 94-95% C, FOB CHINA	\$1,148	\$1,148	0.0%
+50 MESH, 94-95% C, FOB CHINA	\$1,358	\$1,358	0.0%
-100 MESH, 94-95% C, DDP CHINA	RMB 5,750	RMB 5,750	0.0%
+100 MESH, 94-95% C, DDP CHINA	RMB 6,350	RMB 6,300	0.8%
VALUE-ADDED PRODUCTS	CURRENT	LAST	CHANGE
USPG 10 um, 99.95% C, FOB CHINA	\$3,330	\$3,330	0.0%
USPG 15 um, 99.95% C, FOB CHINA	\$3,085	\$3,085	0.0%
USPG 25 um 99.95% C, FOB CHINA	\$2,910	\$2,910	0.0%

BENCHMARK	1M	Y-O-Y	YTD	TODAY	LAST
FLAKE, 94-95%, -100 MESH	0.0%	25.0%	25.0%	\$813	\$813
BENCHMARK	1M	Y-O-Y	YTD	TODAY	LAST
FLAKE, 94-95%, +100 MESH	2.8%	-3.7%	-3.7%	\$920	\$895
BENCHMARK	1M	Y-O-Y	YTD	TODAY	LAST
FLAKE, 94-95%, +80 MESH	0.0%	-1.1%	-1.1%	\$1,148	\$1,148

Benchmark Pricing Tables December 2022



## **2023 CATALYST EVENTS**

### **Santa Cruz Mine (Brazil)**

**Santa Cruz Phase 1 (5,000 tpy concentrates) is fully financed, in construction with commercial production scheduled for December 2023.** Sprott released the US\$10M tranche for Phase 1 CAPEX in November 2022 and contractors were then mobilized and started civil infrastructure and earthworks the following month. This phase has a 12-month construction and commissioning schedule, a modest CAPEX of US\$10M and first quartile OPEX. In 2023, work is planned to begin on an updated 43-101 Bankable Feasibility Study to expand our resources and reserves, update costs/pricing assumption, revise CAPEX/OPEX, and incorporate Phase 3 expansion to 50,000 tpa of concentrates. We aim to secure Phases 2 & 3 mining licenses and environmental permits approval before Phase 1 commissioning completion to facilitate financing conversations with all permits, mining tenure, and initial land purchase in hand.

- Phase 1 Commissioning & Start of Commercial Production in Dec. 2023;
- Exploration and Resource/Reserves Expansion (3,500-5,000m Drilling);
- Value Add Process Trade-off study with conceptual level CAPEX/OPEX;
- Approval of Environmental Permitting and Mining License for Phase 2 (25,000 tpy concentrate) and Phase 3 (50,000 tpy concentrate) prior to Phase 1 commissioning.
- Commercial Agreements; &
- Begin Phases 2 & 3 43-101 Bankable Feasibility study (BFS).

### **Concentrate Production Targets (Totals tpa):**

Phase 1 Production (5,000 tpa) – Dec/2023

Phase 2 Production (25,000 tpa) – H1/2026

Phase 3 Production (50,000 tpa) – 2028

### **BamaStar Graphite Project (U.S.)**

2022 was an excellent start to developing the BamaStar project, meeting our commitments to our J.V. partners and progressing towards a feasibility study on our strategic plan. We are ahead of our original 3-year development program as outlined in the J.V. agreement and look to deliver the PEA approximately one year ahead of schedule. We completed the pilot scale metallurgy program, processed 3 tonnes of ore, and confirmed the bench scale tests and flowsheet. We also produced about 25kg of concentrates for physical and chemical characterization, as well as value-add suitability and optimization studies. In addition, we successfully completed the maiden drilling program (506m x 12 holes) where we tested depths and limits of the deposit and our basic understanding of mineralization, controls and structures. The maiden resource estimate is underway, and we expect that to be published in Q1 2023.

In 2023, we will also plan to increase resource and reserve estimates and complete the value-add testing program in order to support a 43-101 PEA of the strategic plan in Q1 of 2024. As noted previously, the PEA will present the 5- to 7-year strategic plan. We will incorporate the





BFS work from Santa Cruz Mine and look to go straight from our PEA to a BFS, which should be completed 16-18 months after the PEA (Q2/Q3 2025).

- 43-101 Maiden Resource Report (Mar. 2023);
- Exploration & Drilling Program (2000m of drilling);
- Physical and chemical characterization and value-add suitability/optimization studies;
- Value Add Process Trade-off study with conceptual level CAPEX/OPEX; &
- Preliminary Environmental Characterization.

**Concentrate Production Targets (Totals tpa):**

Phase 1 Production (25,000 tpa) – 2027  
Phase 2 Production (50,000 tpa) – 2028/2029

**Value Production Targets (Totals tpa):**

Phase 1 Production (15-20,000 tpa) – 2027 with Feedstock from Santa Cruz  
Phase 2 Production (35-45,000 tpa) – 2028 with Feedstock from Santa Cruz/BamaStar  
Phase 3 Production (55-70,000 tpa) – 2029 with Feedstock from Santa Cruz/BamaStar

**CONCLUSIONS**

I look forward to exciting times as Santa Cruz emerges as the first new graphite production in the Americas since 1996, with Phase 1 commercial production in December 2023. After 13 years of studies, exploration and analysis, I am thrilled to be transitioning from development into production and focusing on profitably executing our business plan.

We have two great assets in strategic, stable jurisdictions and are executing an exciting 5- to 7-year strategic plan that is sustainable, realistic, financeable and demonstrates strong financial metrics. We will produce a vertically integrated, diversified range of high-quality products for the battery metals and industrial sectors. Management and our board are focused on risk management, good governance, and intelligent capital allocation. With construction and operations underway, we are also very focused on health & safety, social integration into the communities in which we operate and being a positive environmental steward for future generations.

In closing, I'll again quote Warren Buffett from his 1983 Annual Letter to Shareholders: "Although our form is corporate, our attitude is partnership." I am convinced this sentiment serves management, shareholders clients, and stakeholders equally well. We are just getting started! I'm looking forward to the exciting times ahead and working with our great group of talented collaborators and partners in 2023. As always, I'd like to thank everyone for their continued support during the 2023 chapter of our journey together. Should be fun!

**ABOUT SOUTH STAR BATTERY METALS CORP**

South Star Battery Metals Corp. 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 will be 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 (>30t) has been completed. The results of the testing show that approximately 65% of Cg concentrate is +80 mesh with good recoveries and 95%-99% Cg. With excellent infrastructure and logistics, South Star is carrying its development plan towards Phase 1 production projected in Q4 2023.

South Star's next project in the development pipeline is a project in Alabama located in the middle of a developing electric vehicle, aerospace and defence hub in the southeastern United States. The Project is a historic mine active during World Wars I & II. Trenching, sampling, analysis and preliminary metallurgic testing has been completed. The testing indicated a traditional crush/grind/flotation concentration circuit achieved grades of approximately 96-97% with approximately 86% recoveries. South Star is executing on its plan to create a multi-asset, diversified battery metals company with near-term operations in strategic jurisdictions. 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>.

*This news release has been reviewed and approved by Richard Pearce, P.E., a "Qualified Person" under National Instrument 43-101 and President and CEO of South Star Battery Metals Corp.*

On behalf of the Board,  
Mr. Richard Pearce  
Chief Executive Officer

*This news release has been reviewed and approved by Richard Pearce, P.E., a "Qualified Person" under National Instrument 43-101 and President and CEO of South Star Battery Metals Corp.*

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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, statements regarding: moving Santa Cruz into production and scaling operations as well as advancing the Alabama project; and the Company's plans and 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: closing of the second tranche of the financing and the Sprott Agreement, TSXV acceptance of the PIF, final TSXV approval of the financing, 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. 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.*