



News Release

Star Royalties Announces Record Preliminary Q4 2022 Revenues and Provides Portfolio Update

January 26, 2023, TORONTO, ON – Star Royalties Ltd. (“**Star Royalties**”, or the “**Company**”) (TSXV: STRR, OTCQX: STRFF) is pleased to announce record preliminary revenues¹ for the quarter ended December 31, 2022, as well as to provide an operational update on its royalty portfolio. All amounts are in U.S. dollars, unless otherwise indicated.

Q4 2022 Corporate and Portfolio Highlights

- Record preliminary quarterly revenues¹ of \$305,000, a 30% increase over the previous quarter.
- Record preliminary quarterly revenue from the Keysbrook royalty.
- Progressive improvements in operating performance and royalty payments from the Elk Gold Mine.
- Continued farmer enrollment into Green Star Royalties Ltd.’s (“**Green Star**”) flagship regenerative agriculture carbon farming program, now covering 22 U.S. states.
- Transition to commercialization at MOBISMART Mobile Off-Grid Power & Storage Inc. (“**MOBISMART**”) to result in first royalty revenues for Green Star.
- Forest inventory and baseline assessment preparations continue at the Elizabeth Metis Settlement Forest Project.
- Green Star investment pipeline expanding rapidly and now includes 22 opportunities under evaluation.
- Ongoing initiatives by new management at Sabre Gold Mines Corp. (“**Sabre Gold**”) (TSX: SGLD, OTCQB: SGLDF) to accelerate funding of the fully-permitted Copperstone Gold Mine.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: “2022 was our Company’s first full year being public. Our mining royalty portfolio demonstrated positive momentum during the fourth quarter of 2022, as Keysbrook continued to exceed our expectations and sequential improvements in operating performance at Elk Gold culminated in record preliminary quarterly

revenues. While Copperstone remains delayed with respect to initial expectations, new management at Sabre Gold is aggressively driving towards securing funding for the mine restart by improving the balance sheet and the confidence surrounding project economics.”

“Star Royalties’ majority-owned subsidiary, Green Star, has made significant progress in the fourth quarter with the addition of two carbon experts and the meaningful expansion of our opportunity pipeline.”

“We are truly excited for 2023 and see strong potential to unlock value for our shareholders in the year ahead. Upcoming key catalysts include improving cash flow visibility across our existing mining and green royalty and streaming assets, raising capital for Green Star with the prospect of an eventual IPO, and executing on our significantly expanded portfolio of carbon opportunities. Management continues to be fully aligned with our shareholders, as exemplified by its purchases of Star Royalties shares in the public market and equity participation in the Green Star private placement, totalling approximately C\$1.5 million in 2022.”

Record Preliminary Quarterly Revenues¹

For the three months ended December 31, 2022, Star Royalties is expected to receive preliminary quarterly revenues of \$305,000, representing a record to date and a 30% increase over the previous quarter. The increase in royalty revenues is attributable to record royalty contribution from the Keysbrook Mine and improved operating performance at the Elk Gold Mine over the previous quarter.

Significant Portfolio Updates

Keysbrook Mine

Star Royalties owns a 2% minerals royalty on the Keysbrook Mine, an open pit mineral sands (leucoxene, zircon) mine located 70 km south of Perth, WA, Australia, and in operation since late 2015. Since Star Royalties acquired the royalty in late 2020, the Keysbrook Mine has consistently delivered operating results ahead of the Company’s internal expectations, including a record expected royalty payment for the fourth quarter of 2022. Preliminary full-year 2022 royalty revenues from Keysbrook were 38% higher than internal expectations, driven by a combination of strong operating performance and higher-than-anticipated commodity prices.

Green Star Joint Venture (61.9% interest)

In November 2022, Green Star announced the appointments of Tanushree Bagh Mukherjee as Chief Development Officer and Rina Cerrato as Chief Commercial Officer. These appointments represented a significant strengthening of Green Star’s carbon market and project development expertise and have since further expanded Green Star’s robust investment pipeline of premium, North American, nature-based environmental solutions. Since their appointments, Mrs.

Mukherjee and Mrs. Cerrato have improved and accelerated the assessment of multiple opportunities in regenerative agriculture, improved forest management, livestock enteric methane reduction, biochar, and others, while leveraging industry relationships from nearly 40 years of combined experience in the carbon sector. In addition, Green Star is in the process of becoming a member of the International Emissions Trading Association (“**IETA**”), a leading industry association on market-based climate solutions. IETA represents over 150 Canadian and international companies over multiple sectors on the design and implementation of carbon pricing and climate finance mechanisms. Its market and technical expertise is regularly called-upon to inform policies and market trading frameworks that results in real and verifiable greenhouse gas emission reductions.

As Green Star continues to implement its mandate of quality, scalability, longevity and integrity, it continues to grow its investment pipeline and aims to become a quality leader in the carbon credit royalty space. With enhanced internal project evaluation capabilities, Green Star’s advanced-stage pipeline now consists of 22 opportunities, including 19 new projects and three project expansions. In aggregate, the capital required for all these opportunities would exceed C\$150 million. As such, Green Star is actively evaluating capital raising opportunities through a combination of private and public markets to execute on its growing pipeline.

Regenerative Agriculture Carbon Farming Program

Green Star’s flagship regenerative agriculture CarbonNOW® farming program is a partnership with Locus Agricultural Solutions® (“**Locus AG**”) and Anew Climate LLC. During the fourth quarter of 2022, the program continued to enroll new farmers, as well as optimize the effectiveness of its award-winning microbial probiotic solutions. The program aims to create premium, verified carbon credits that will reward the adoption of regenerative agriculture practices by North American farmers. By the end of 2022, more than 70 growers across 22 U.S. states were signed up for the carbon farming program, whose scope of 1.32 million acres of U.S. farmland represents just ~0.5% of total U.S. row crops, and has significant potential for further expansion. Farmer enrollment to date continues to track in-line with internal expectations and Green Star looks forward to sharing additional project updates in the coming months following the official closing of the Spring 2023 enrollment.

In the fall of 2022, Locus AG, Green Star’s soil probiotic partner in the CarbonNOW program, expanded its line of Rhizolizer® and Pantego® biologicals by launching 11 new crop-specific formulations that feature novel microbial strains. These products enable the correct pairing of microbial strains with the correct plant species, allowing easy-to-use, cost-effective biologicals to meet each crop’s specific agronomic needs, and enabling broader crop categories to qualify for the carbon farming program. In turn, this results in enhanced nutrient uptake and utilization as well as higher amounts of organic carbon being stored in soil, ultimately leading to crop yield increases. These factors are expected to increase financial margins to the growers, as the increase in crop yield is expected to be complemented by revenues from the sale of carbon

offsets, which stem from the sequestered carbon in the soil. Additional information on the new line of microbial solutions can be found at <https://locusag.com/news-releases/agricultural-biologicals-boost-yields>.

As farmer enrollment continues to ramp up towards the 1.32-million-acre scope of the program, Green Star continues to expect to generate cash flow equivalent to well over 400,000 attributable carbon credits per year at full capacity.

MOBISMART

In early 2022, Green Star acquired a 2.5% gross revenue royalty on MOBISMART, a private operating company that specializes in mobile solar power generation systems with integrated battery storage. Its product offering includes mobile solar power trailers and containers with leading-edge power electronics and remote monitoring. As a result, MOBISMART's products address a wide range of power generation requirements while displacing diesel usage.

Green Star is pleased to report that MOBISMART has since transitioned from research and development to commercialization, with numerous pilot projects underway and two major exclusivity agreements signed. Key sales and marketing initiatives are focused on the North American telecommunications sector (converting off-grid cellular towers from diesel power generation to solar/wind), the defense sector (replacing mobile diesel power generation to integrated solar systems), the construction industry (converting mobile office trailers from diesel power generation to solar/wind) as well as the conversion of refrigeration trucks from diesel power generation to solar.

As MOBISMART's sales and marketing efforts turn to commercialization, Green Star expects MOBISMART to become its first revenue-generating royalty in the first quarter of 2023. As per the original royalty agreement, the royalty has a term of 15 years and Green Star had granted MOBISMART an initial payment holiday on the royalty until January 2023. In the renewable energy and instrumentation segment, MOBISMART has already sold several units, with delivery anticipated in the first quarter of 2023 and further new unit orders anticipated from this segment throughout the coming year.

Elizabeth Metis Settlement Forest

In January 2022, Green Star expanded its original gross revenue royalty on the sale of carbon credits from forested lands located in Elizabeth Metis Settlement (the "**EMS Forest Project**") from 13.5% to 40.5%. Green Star is pleased to report that progress at the EMS Forest Project continues with Anew preparing to undertake the forest carbon inventory in the fall of 2023, a critical step towards the issuance of compliance-grade offsets for use in the Alberta Offset System. The EMS Forest Project represents one of five improved forestry management projects being developed by Anew Climate across 320,000 acres of Metis Settlement lands in Alberta. A video update on these projects and their positive impact on local communities can be viewed at

<https://vimeo.com/765870094>.

Elk Gold Mine

Gold Mountain Mining Corp. (“**Gold Mountain**”) (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) reported revenue of C\$2.1 million for the quarter ended October 31, 2022, representing a meaningful improvement over their previous quarter. During the quarter, Gold Mountain resumed ore mining operations and deliveries to New Gold Inc. (TSX, NYSE American: NGD). A new open pit design from its recently completed 3,700m in-fill drill program is expected to better define the grade control model. Ore mining initiatives including drilling and blasting optimization and improved ore fragmentation are also expected to result in improved efficiency and grade profile. Furthermore, an additional ore control geologist was hired in late 2022 to increase focus on reducing dilution and improving grade reconciliation of mined material. Gold Mountain is also investigating ore preconcentration technologies to further improve project economics.

Gold Mountain is expected to provide an updated resource estimate and accompanying preliminary economic assessment (“**PEA**”) in the coming months. The PEA is expected to confirm the proposed underground expansion to over 65,000 ounces per year and reinforce the long-term value proposition of the project. Permitting discussions with the province and surrounding Indigenous Communities and First Nations have also commenced.

Gold Mountain intends to restart its Phase IV exploration drilling program in 2023 after a pause in 2022 to focus on in-fill drilling and ore control optimization. Phase IV exploration had focused mainly on resource expansion, targeting the Gold Creek, Lake, South and Elusive Zones. Elk Gold Mine’s ongoing exploration success and longer-term resource potential remain the principal components of value and investment rationale for Star Royalties when it acquired the royalty in September 2021.

Gold Mountain’s sequential improvements in operating performance and mined grades have resulted in an expected royalty payment to Star Royalties of approximately C\$54,000 for the fourth quarter of 2022. While the Elk Gold Mine continues to operate below Gold Mountain’s estimated production levels, the latest royalty payment highlighted sequential monthly improvements in both gold and silver mined grades.

Copperstone Gold Mine

In the fourth quarter of 2022, Sabre Gold undertook numerous restructuring initiatives to advance its fully-permitted Copperstone Gold Mine toward production. These initiatives included the sale of various non-core assets and the appointment of Andrew Elinesky, CPA as Sabre Gold’s new Chief Executive Officer. Mr. Elinesky brings an extensive financial pedigree and has taken significant steps to improve Sabre Gold’s balance sheet and reduce Copperstone’s encumbrances.

Specifically, Sabre Gold announced the sale of its 1% NSR royalty on the Kerr-Addison Mine claims owned by Gold Candle Ltd. for a total consideration of \$7.4 million, with proceeds allocated to the elimination of an existing 4.5% NSR royalty on Copperstone, retirement of a portion of its long-term debt and extension of its remaining outstanding debt maturity to end of 2024. Sabre Gold also announced the sale of non-core assets for proceeds of C\$800,000 and announced a share consolidation and proposed equity financing of up to C\$1.5 million. Sabre Gold continues to explore additional opportunities to further optimize its asset portfolio and accelerate the funding of the Copperstone Gold Mine. As such, Sabre Gold management believes that their strengthened financial position should facilitate discussions with potential financial partners to bring the fully-permitted Copperstone Gold Mine in Arizona to production.

Note 1: Preliminary figures are unaudited and may change materially. Revenues include royalty income from Keysbrook and Elk Gold. Keysbrook revenue figures are net of Australian withholding taxes. Please also refer to the cautionary note regarding forward-looking information.

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ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a precious metals and carbon credit royalty and streaming company. The Company innovated the world's first carbon credit royalties in forestry and regenerative agriculture through its majority-owned, pure-green joint venture, Green Star Royalties Ltd., and offers investors exposure to precious metals and carbon credit prices with an increasingly negative carbon footprint. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking statements", including those regarding future market conditions for metals, minerals and carbon offset credits. Forward-looking statements are statements that address or discuss activities, events or developments that the Company expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "will", "believes", "intends" "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Star Royalties and Green Star to be materially different from future results, performances or achievements expressed or implied by such statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved.

A number of factors could cause actual results, performances or achievements to differ materially from such forward-looking statements, including, without limitation, changes in business plans and strategies, market and capital finance conditions, ongoing market disruptions caused by the Ukraine and Russian conflict, metal and mineral commodity price volatility, discrepancies between actual and estimated production and test results, mineral reserves and resources and metallurgical recoveries, mining operation and

development risks relating to the parties which produce the metals and minerals Star Royalties will purchase or from which it will receive royalty payments, carbon pricing and carbon tax legislation and regulations, risks inherent to the development of the ESG-related investments and the creation, marketability and sale of carbon offset credits by the parties, the potential value of mandatory and voluntary carbon markets and carbon offset credits, including carbon offsets, risks inherent to royalty companies, title and permitting matters, operation and development risks relating to the parties which develop, market and sell the carbon offset credits from which Green Star will receive royalty payments, changes in crop yields and resulting financial margins regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global, federal and provincial social and economic climate in particular with respect to addressing and reducing global warming, natural disasters and global pandemics, dilution, risk inherent to any capital financing transactions, risks inherent to a possible Green Star go-public transaction, the nature of the governance rights between Star Royalties and Agnico Eagle in the operation and management of Green Star and competition.

These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.