



News Release

Star Royalties Reports Q1 2024 Financial Results

May 29, 2024, TORONTO, ON – Star Royalties Ltd. (“**Star Royalties**”, or the “**Company**”) (TSXV: STRR, OTCQX: STRFF) is pleased to report its financial results for the quarter ended March 31, 2024. All amounts are in U.S. dollars, unless otherwise indicated.

Q1 2024 Financial and Corporate Highlights

- Quarterly revenues of \$275,395 were in line with the prior-year period as improved sales volumes at Keysbrook offset lower royalty revenues from Elk Gold.
- Expanded Green Star Royalties Ltd.’s (“**Green Star**”) North American nature-based investments by acquiring a portfolio of U.S. forest carbon offset royalties for \$5.6 million, thereby receiving first carbon offset delivery. Carbon offset marketing and monetization efforts are now underway.
- Improved carbon royalty structure of Green Star’s CarbonNOW regenerative agriculture investment by partnering directly with the project operator for a 30% gross revenue royalty on CarbonNOW. CarbonNOW is currently under third-party validation, with audits having taken place at multiple farms enrolled in the program.
- Ongoing initiatives underway at Sabre Gold Mines Corp. (“**Sabre Gold**”) (TSX: SGLD, OTCQB: SGLDF) and Gold Mountain Mining Corp. (“**Gold Mountain**”) (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) to accelerate financing solutions that will unlock their respective full and long-term production potential.

Summary of Q1 2024 Financial Results

	Quarter ended March 31, 2024	Quarter ended March 31, 2023
Revenue	\$ 275,395	\$ 271,429
Net Income (loss)	320,430	69,539
Basic and diluted income (loss) per share	0.00	0.00
Cash flow from operating activities	(797,888)	(369,976)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-

For complete details, please refer to the Condensed Interim Consolidated Financial Statements and associated Management Discussion and Analysis for the three months ended March 31, 2024, available on SEDAR+ at sedarplus.ca or on the Company's website at starroyalties.com.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "During the first quarter of 2024, our team continued to both advance and execute Green Star's investment pipeline, culminating in a late-April acquisition of a carbon offset royalty portfolio on several of NativState's high-integrity improved forest management projects in the southeastern United States. We are now focused on monetizing the approximately 120,000 carbon offsets that came with that transaction which would represent Green Star's first carbon credit revenues as well as its transition to free cash flow generation. Regarding our mining royalty portfolio, we are pleased with the ongoing strong performance at Keysbrook and continue to work closely with the operators of Copperstone and Elk Gold. We are optimistic that the constructive gold price environment could be a positive catalyst for development progress at both assets."

Significant Portfolio Updates

Green Star Joint Venture (45.9% interest)

Green Star operates as a joint venture between Star Royalties, Agnico Eagle Mines Limited ("Agnico Eagle") (NYSE, TSX: AEM), Cenovus Energy Inc. ("Cenovus") (NYSE, TSX: CVE), and certain members of Star Royalties' and Green Star's management teams and Boards of Directors (collectively, "Management"). The Company retains ownership of approximately 45.9% of Green Star's common shares, Agnico Eagle and Cenovus each own approximately 25.9% of the common shares and the remaining 2.3% is owned by Management.

During the first quarter of 2024, Green Star continued to advance its investment pipeline of premium North American, nature-based carbon offset projects. Following the end of the quarter, on April 25, 2024, the Company announced the acquisition of several gross revenue royalties from NativState LLC ("NativState") on a carbon offset-issuing portfolio of Improved Forest

Management (“**IFM**”) projects in the southeastern United States. NativState is an Arkansas-based forest carbon project developer focused on aggregating small-to-medium forest landowners into IFM projects being developed under the American Carbon Registry (“**ACR**”). These royalties are expected to deliver to Green Star premium voluntary carbon offsets over a 20-year period, with a total consideration for the royalties of \$5.6 million to be paid over a series of tranches.

Management’s focus remains on evaluating future investments in regenerative agriculture, improved forest management, reforestation, livestock enteric methane reduction, grasslands, biochar, and other category types. Green Star’s investment pipeline of premium North American, nature-based carbon offset projects consists of approximately 50 opportunities, with an aggregate capital requirement of over C\$200 million.

Voluntary Carbon Market Update

During the first quarter of 2024, sentiment continued to focus on the voluntary carbon market (“**VCM**”) integrity and the anticipation of the release of Core Carbon Principle-labelled (“**CCP**”) credits.

In early May 2024, the Integrity Council for the Voluntary Carbon Market (“**ICVCM**”) announced that the Verra registry had reached their program-level CCPs. Verra joined several other registries, including ACR, Climate Action Reserve, and Gold Standard, in receiving the program-level approval, which indicates that they met ICVCM’s program-level requirements on governance, emissions impact, and sustainable development. A CCP label is issued when a VCM credit is issued under an approved program and methodology. While the ICVCM has not yet approved any methodologies, these program-level approvals mark an important first step towards achieving the CCP quality benchmark label by these registries. The first announcements from ICVCM’s category-level methodology assessments are expected in the coming months.

In late May, the U.S. federal government released its [Voluntary Carbon Markets Joint Policy Statement and Principles](#). This policy statement recognizes the important role of the VCMs in accelerating emissions reductions and provides a strong support signal for the use of carbon credits in net-zero strategies and decarbonization efforts. Furthermore, it acknowledges the essential role of carbon credit certification bodies in creating a supply of high-integrity carbon credits. The Company welcomes this announcement and believes this will help unlock unprecedented demand for voluntary carbon credits across a variety of project types. Through its Green Star joint venture, the Company is uniquely positioned to support this demand by originating nature-based, high-integrity carbon credits in North America.

Regenerative Agriculture Carbon Farming Program

Green Star's regenerative agriculture investment in the CarbonNOW® farming program is a partnership with Locus Agricultural Solutions® ("**Locus AG**") and Anew Climate LLC ("**Anew**").

In January 2024, Green Star amended its agreement with Anew to promote Locus AG as the project operator and formal manager of CarbonNOW. The revised operating structure created a stronger alignment between all parties, enabling all parties to focus on their core strengths, while de-risking program execution. The structure is expected improve operational efficiencies with respect to future farmer enrollment and data collection and analysis. As part of optimizing the program, Green Star partnered directly with Locus AG for a 30% gross revenue royalty on CarbonNOW. Green Star's initial US\$20,625,000 funding commitment remained unchanged, although the revised royalty term has been extended from 10 years to 20 years, resulting in meaningfully greater exposure to longer-term carbon pricing and sequestration performance.

The CarbonNOW program continues to be in the validation phase with the engagement of a third-party validation and verification body. As part of the validation stage, audits have taken place at multiple farms to ensure adherence to rules and requirements of the methodology. This validation process is expected to be completed by Fall 2024, to be followed by a verification process which aims to verify the carbon sequestration. Green Star continues to anticipate CarbonNOW's first offset issuance, as well as its first royalty revenues to Green Star, in 2025.

NativState IFM Portfolio

Following the acquisition of several gross revenue royalties from NativState on a carbon offset-issuing portfolio of IFM projects in the southeastern United States on April 25, 2024, Green Star received to its account approximately 120,000 carbon offsets that were issued from the ACR registry on project ACR 783. These carbon offsets represent largely avoidance credits from 2022 and 2023 activities and are expected to be monetized over the coming months. Additional details on the NativState transaction can be found [here](#). Based on discussions with multiple carbon credit brokers, Green Star's assessment of the current demand for North American nature-based carbon credits is approximately \$13-15/tCO₂e and above \$20/tCO₂e for avoidance and removal credits, respectively. Green Star believes that these pricing levels are encouraging and conducive to sustainably deploying capital into this segment.

Mining Royalty 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. In the first quarter of 2024, royalty revenues from Keysbrook were \$265,015, representing

a 22% increase over the \$216,470 received in the prior-year period and a 41% increase over the \$188,359 received in the fourth quarter of 2023. The increased royalty revenues in the first quarter were due to higher quantities of material sold by the mine's operator during the period.

Elk Gold Mine

Gold Mountain resumed partial ore mining operations and ore deliveries to New Gold Inc. (TSX, NYSE American: NGD) in the first quarter. Gold Mountain has undertaken several debt restructuring initiatives to facilitate a longer-term and more impactful financing and operating solution. The Company's management team continues to work with Gold Mountain's management to unlock Elk Gold Mine's full and long-term production potential.

On March 25, 2024, Gold Mountain announced that it has reached agreements with two secured creditors, Nhwelmen Construction LP Ltd. ("**Nhwelmen**") and Hedge Minerals Corp. ("**Hedge**"), an arms-length lender to Gold Mountain, for the settlement and postponement of certain secured debts. As part of the announced agreement, Nhwelmen and Hedge have agreed to accept Gold Mountain's common shares in payment of C\$1.25 million and C\$1.24 million of their secured debt, respectively, at an issuance price of C\$0.0075 per Gold Mountain share. The remaining amount of the Nhwelmen secured debt is to be repaid in equal cash payments over 24 months commencing in April 2024.

CONTACT INFORMATION

For more information, please visit our website at starroyalties.com or contact:

Alex Pernin, P.Geo.

Chief Executive Officer and Director
apernin@starroyalties.com
+1 647 494 5001

Dmitry Kushnir, CFA

Vice President, Investor Relations and Strategy
dkushnir@starroyalties.com
+1 647 494 5088

ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a carbon credit and precious metals royalty and streaming company. The Company innovated the world's first carbon credit royalties in forestry and regenerative agriculture through its pure-green joint venture, Green Star Royalties Ltd., and offers investors exposure to carbon credit and precious metals prices. 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 or Green Star 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, Cenovus and Agnico Eagle in the operation and management of Green Star and competition, the ability to raise any additional funds in the future private placement, the result of any potential investment by Cenovus or any other new investor into Green Star. 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.