



# News Release

## Star Royalties Reports Audited Financial Results for 2022

**April 28, 2023, TORONTO, ON – Star Royalties Ltd.** (“**Star Royalties**”, or the “**Company**”) (TSXV: STRR, OTCQX: STRFF) is pleased to report its financial results for the year ended December 31, 2022, as well as to provide an update on its royalty portfolio. All amounts are in U.S. dollars, unless otherwise indicated.

### 2022 Corporate and Portfolio Highlights

- 2022 revenues represent a 43% increase over the prior year, including record quarterly revenue in the fourth quarter.
- Record quarterly and annual 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 representing approximately 115 farmers from across the United States.
- Transition to commercialization at MOBISMART Mobile Off-Grid Power & Storage Inc. (“**MOBISMART**”) to result in first royalty revenues for Green Star.
- Green Star investment pipeline 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.

## Summary of Annual Financial Results

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 1,415,498	\$ 988,030
Net Income (loss)	17,331,943	(2,669,282)
Basic and diluted income (loss) per share	0.24	(0.04)
Cash flow from operating activities	(767,679)	(1,104,908)
Cash flow from investing activities	(901,451)	(16,321,691)
Cash flow from financing activities	-	19,527,719

For complete details, please refer to the Audited Consolidated Financial Statements and associated Management Discussion and Analysis for the year ended December 31, 2022, available on SEDAR at [sedar.com](https://www.sedar.com) or on the Company's website at [starroyalties.com](https://www.starroyalties.com).

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "We commenced 2023 following a year of significant development and multiple growth catalysts across our royalty portfolio. Our mining portfolio continues to demonstrate positive momentum, with continued outperformance from Keysbrook, promising operational improvements at Elk Gold, and progressive steps at Copperstone to accelerate its financing pathway. Our majority-owned subsidiary, Green Star, is well underway to establishing itself as the quality leader in the carbon credit royalty space, with its growing pipeline of premium carbon credit investment opportunities and its recent inclusion in the International Emissions Trading Association. We view 2023 as a year of unlocking value for our shareholders. 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 go-public event, and executing on our significantly expanded portfolio of carbon opportunities."

## 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 royalty payment for the fourth quarter of 2022. Full-year 2022 royalty revenues from Keysbrook were 33% higher than in the prior year, driven by a combination of strong operating performance and higher-than-anticipated commodity prices.

### Elk Gold Mine

Gold Mountain Mining Corp. (“**Gold Mountain**”) (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) resumed ore mining operations and deliveries to New Gold Inc. (TSX, NYSE American: NGD) during the quarter ended October 31, 2022. Gold Mountain expects a new open pit design from its recently completed 3,700m in-fill drill program to better define the grade control model, and for its drilling and blasting optimization and ore fragmentation initiatives to result in improved efficiency and grade profile. A new mine manager and an additional ore control geologist were recently hired to increase focus on reducing dilution and improving grade reconciliation. Gold Mountain continues to investigate ore preconcentration technologies to further improve project economics.

In early March 2023, Gold Mountain reported continued operational improvements at the Elk Gold Mine, including four consecutive months of grade improvement, with January being the best month since operations began in February 2022, with an average head grade of 6.04 g/t Au. The revenue generated by the Elk Gold Project in the month of January exceeded the revenue reported for the quarter ended October 31, 2022.

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. The focus of Gold Mountain’s exploration program is mainly on resource expansion, targeting the Gold Creek, Lake, South and Elusive Zones, and its management anticipates providing an updated resource estimate and a preliminary economic assessment in the fourth quarter of 2023. Elk Gold Mine’s strong grade profile, ongoing exploration success, and longer-term resource potential remain the key drivers for value accretion and the basis for Star Royalties when it acquired the royalty in September 2021.

### Copperstone Gold Mine

In the fourth quarter of 2022 and in early 2023, Sabre Gold had undertaken multiple 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. Specifically, Sabre Gold sold its 1% NSR royalty on the Kerr-Addison Mine claims for a total consideration of \$7 million, with proceeds of the sale allocated to the buyback and cancellation of a 3% NSR royalty on Copperstone, as well as reduction and extension of its overall debt. Sabre Gold also announced the sale of non-core assets and a closing of the first tranche of an 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. Sabre Gold’s management believes that their improved financial position and lower royalty burden should facilitate discussions with potential financial partners to bring the Copperstone Gold Mine in Arizona to production.

### **Green Star Joint Venture (61.9% interest)**

In late 2022, Green Star's appointments of Tanushree Bagh Mukherjee as Chief Development Officer and Rina Cerrato as Chief Commercial Officer significantly strengthened its carbon market and project development expertise. Its expanded investment pipeline of premium, North American, nature-based environmental solutions now includes multiple opportunities in regenerative agriculture, improved forest management, livestock enteric methane reduction, biochar, and other category types. Green Star's advanced-stage pipeline now consists of 22 opportunities, whose aggregate capital required would exceed C\$200 million. Green Star is actively evaluating capital raising opportunities through a combination of private and public markets to begin executing on its growing pipeline.

In addition, in early 2023, Green Star became a member of the International Emissions Trading Association ("IETA"), a leading industry association focused on market-based climate solutions. IETA represents approximately 500 Canadian and international companies over multiple sectors on the design and implementation of carbon pricing and climate finance mechanisms. In April, Rina Cerrato, Green Star's Chief Commercial Officer, has been appointed as Co-Chair of the International Emissions Trading Association ("IETA") working group on Voluntary Carbon Markets ("VCM"). The working group reinforces IETA's guiding principles on trust, integrity, connectivity and ambition to implement change and provides thought leadership and advocacy in the continued evolution of the VCM.

### **Regenerative Agriculture Carbon Farming Program**

Green Star's flagship regenerative agriculture CarbonNOW® farming program is a partnership with Anew Climate LLC and Locus Agricultural Solutions® ("**Locus AG**"). During the fourth quarter of 2022 and into 2023, the program continued to enroll new farmers, as well as optimize the effectiveness of its award-winning microbial probiotic solutions. Its premium, verified carbon credits will reward the adoption of regenerative agriculture practices by North American farmers. As of the 2023 Spring enrollment, the program has exceeded its original pilot scope of 320,000 acres and now includes approximately 115 growers across the United States. At its full scope of 1.32 million acres of U.S. farmland, the program will represent just ~0.3% of total U.S. row crops, with significant potential for further expansion. Soil sampling is currently underway on enrolled farmland, with additional project updates expected in the coming months.

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 and diesel displacement capabilities. Green Star is pleased to report that MOBISMA RT has since transitioned from research and development to commercialization, with its key sales and marketing initiatives focused on the North American telecommunications, defense, and construction industries. In the renewable energy and instrumentation segment, MOBISMA RT has already sold several units, with delivery occurring in the first quarter of 2023 and further new unit orders anticipated from this segment throughout the coming year.

Green Star is pleased to announce that MOBISMA RT became its first revenue-generating royalty in the first quarter of 2023 and it welcomes MOBISMA RT's growing manufacturing and sales trajectory. Additional information and outlook on MOBISMA RT's maiden royalty payment will be provided with the financial results for the first quarter of 2023.

## CONTACT INFORMATION

For more information, please visit our website at [starroyalties.com](https://starroyalties.com) or contact:

**Alex Pernin, P.Geo.**

Chief Executive Officer and Director

[apernin@starroyalties.com](mailto:apernin@starroyalties.com)

+1 647 494 5001

**Dmitry Kushnir, CFA**

Vice President, Investor Relations

[dkushnir@starroyalties.com](mailto:dkushnir@starroyalties.com)

+1 647 494 5088

## 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. 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.