



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2022**

Introduction

This Management's Discussion and Analysis ("MD&A") of Star Royalties Ltd. is the responsibility of management and covers the years ended December 31, 2022 and 2021. The MD&A takes into account information available up to, and is dated, April 28, 2023 and should be read together with the audited annual consolidated financial statements for the years ended December 31, 2022 and 2021.

Throughout this document the terms "we", "us", "our", the "Company" and "Star Royalties" refer to Star Royalties Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and is presented in United States ("US") Dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "*Note Regarding Forward-Looking Statements*" of this MD&A.

Description of Business

Star Royalties is a royalty and streaming investment company, specializing in precious metals and carbon credits. The Company conducts its green royalty investments via a joint venture company, Green Star Royalties Ltd. ("Green Star"). The Company innovated the world's first carbon credit royalties in forestry and regenerative agriculture via Green Star 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.

Star Royalties specializes in bespoke and operator-friendly financing solutions, including originating and restructuring of royalties and streams in precious metals and in North American nature-based carbon offset projects. The Company's philosophy is to structure mutually beneficial agreements that optimize the counterparties' capital structure, while generating a return well above the Company's cost of capital for its shareholders. Star Royalties looks to become the trusted financing partner for companies throughout the various stages of project development, and the commodity and capital markets cycles.

Green Star was established in October 2021 to accelerate the growth of its pure-green portfolio following positive investor feedback on the Company's innovative Canadian forestry carbon credit investments. Green Star is focused on originating new carbon credit projects in nature-based solutions (regenerative agriculture and improved forest management), renewable energies (solar, wind), as well as certain other cleantech investments. In May 2022, the Company completed a strategic investment by Agnico Eagle Mines Limited ("Agnico Eagle") into Green Star. As a result, Green Star is now a joint venture 61.9% owned by Star Royalties, 35% owned by Agnico Eagle, and 3.1% owned by Star Royalties' management team and Board of Directors. The Company continues to anticipate that Agnico Eagle's strategic involvement will lead to an acceleration in Green Star's growth trajectory and will allow Green Star to originate, fund and participate in additional, larger green opportunities. Green Star will continue to be managed by the Company's management team and its own Chief Development and Chief Commercial Officers with participation from Agnico Eagle on its board and technical advisory teams. Green Star's objective is to become the partner of choice in originating carbon offset credit royalties, grow its critical mass, and ultimately attract capital from both generalist and ESG-focused investors in a future go-public event.

Star Royalties' precious metals portfolio allocation strategy targets a 70% weighting in cash generating royalties and streams, 20% weighting towards near-term development opportunities (with development-to-cash-flow timeline horizons of less than two years), and 10% to geologically prospective, advanced exploration targets (non-cash generating). This targeted 70/20/10 approach is intended to improve cash flow visibility and to direct capital towards lower-risk development and production-stage investments. The Company believes that abiding by these portfolio constructs in the precious metals segment and Green Star's focus on North American, nature-based carbon offset projects will result in a robust, cash generating, portfolio of assets that will provide attractive risk-adjusted returns to its shareholders. The Company's precious metals royalty and stream interests are located in the USA, Canada, Australia, and Mongolia. Green Star's portfolio of nature-based investments is located in the USA and Canada. Please refer to "*Asset Portfolio*" of this MD&A for project details.

Asset Portfolio

The Company currently holds the following royalty and stream assets directly or through a 61.9% ownership in Green Star:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Star Royalties Ltd.					
Elk Gold Project	2% Net Smelter Return ("NSR") Royalty	Gold, Silver	British Columbia, Canada	Production	Gold Mountain Mining Corp.
Copperstone Project	Gold stream	Gold	Arizona, USA	Near-Production ¹	Sabre Gold Mines Corp.
Keysbrook Project	2% Gross Revenue ("GR") Royalty	Mineral Sands (Titanium, Zircon)	Western Australia, Australia	Production	Keysbrook Leucoxene Pty Ltd. ("Keysbrook")
Bayan Undur Project	2% NSR Royalty	Copper, Silver	Bayankhongor, Mongolia	Advanced Exploration	Aranjin Resources Ltd.
Baavhai Uul Project	1.5% GR Royalty	Lithium (brine), Copper, Nickel	Sukhbaatar, Mongolia	Early Exploration	Ion Energy Ltd.
Green Star Royalties Ltd. (Joint Venture – 61.9% interest)					
Regenerative Agriculture Carbon Offset Project	Net Revenue Sharing Royalty	Verra Verified Carbon Standard voluntary carbon offset credit	USA	Development	Anew Climate, LLC (formerly Blue Source, LLC)
Elizabeth Metis Settlement Forest Carbon Offset Project	40.5% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Alberta, Canada	Development	Elizabeth Metis Settlement, Anew Climate LLC
Lac Seul First Nation Forest Carbon Offset Project	16% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Ontario, Canada	Development	Lac Seul First Nation, Big Tree Carbon Corp., Anew Climate LLC
MOBISMART	2.5% GR Royalty	Mobile solar power generation systems with integrated battery storage	Ontario, Canada	Operating	MOBISMART Mobile Off-Grid Power & Storage Inc.

¹ Copperstone's operational restart is expected to occur in 2024. The Copperstone gold stream would step down from 9.9% of gold produced to 6.6% of gold produced were the Company not to proceed with the final \$6 million tranche payment.

Significant Portfolio Updates

Copperstone Gold Project

In the fourth quarter of 2022, Sabre Gold Mines Corp. ("Sabre Gold") (TSX: SGLD, OTCQB: SGLDF) 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 million. Proceeds of the sales were allocated to the buyback and cancellation of a 3% NSR royalty on Copperstone, as well as the reduction and extension of the overall debt. Sabre Gold also announced the sale of non-core assets and announced the closing of the first tranche of an equity financing of up to CAD\$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 materially lower royalty burden should facilitate discussions with potential financial partners to bring the fully permitted Copperstone Gold Mine in Arizona to production.

Elk Gold Project

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 hired in late 2022 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 revenue reported for the quarter ended October 31.

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 an updated 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.

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. Mrs. Mukherjee and Mrs. Cerrato have since further expanded Green Star's robust investment pipeline of premium, North American, nature-based environmental solutions. They improved and accelerated the assessment of multiple opportunities in regenerative agriculture, improved forest management, livestock enteric methane reduction, biochar, and others by leveraging industry relationships from nearly 40 years of combined experience in the carbon sector. In addition, Green Star recently became a member of the International Emissions Trading Association ("IETA"), a leading industry association on market-based climate solutions. IETA represents over 300 Canadian and international companies over multiple sectors on the design and implementation of carbon pricing and climate finance mechanisms. Its market and technical expertise are regularly called-upon to inform policies and market trading frameworks that results in real and verifiable greenhouse gas emission reductions.

Regenerative Agriculture Carbon Offset Project

During the fourth quarter of 2022, Green Star's flagship regenerative agriculture CarbonNOW® farming program continued to enroll new farmers, as well as expand the application of its award-winning microbial probiotic solutions to numerous new crop types. 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, over 70 growers across more than a dozen states were signed up for the carbon farming program. 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. As farmer enrollment continues to track in-line with internal expectations and continues to progress towards the 1.32-million-acre scope of the program, Green Star expects the program to generate over 400,000 attributable carbon credits per year when it reaches full capacity.

As Green Star continues to implement its mandate of quality, scalability, longevity, integrity, and lower risk (policy, geographic, counterparty), 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 pipeline now consists of 22 opportunities, including 19 new projects and three project expansions. In aggregate, the combined capital required for these opportunities would exceed CAD\$200 million. To execute

on its growing project pipeline, Green Star is actively evaluating capital raising opportunities through a combination of private and public markets.

Corporate Strategy

The Company is focused on leveraging its many decades of capital allocation expertise to originate bespoke royalties and streams in the precious metals and carbon credit segments. Its objective is to reduce the risk-adjusted cost of capital of its counterparties, while allowing Star Royalties to achieve above-threshold returns. Management constantly reviews new opportunities to grow Star Royalties' portfolio sustainably and responsibly with a strict emphasis on:

1. Value and quality over quantity
2. Risk management with focus on top-tier jurisdictions
3. Free cash flow per share accretion (Free cash flow per share is a non-IFRS measure. Please refer to "*Non-IFRS Financial Measures*" of this MD&A)
4. Additional industry-standard investment metrics as outlined on the Company's website at www.starroyalties.com/company/portfolio-construction

Precious Metals Portfolio Strategy

When acquiring royalties and streams, the Company considers technical and economic merit, jurisdiction risk, exploration, and expansion upside, as well as operator quality. The Company endeavours to partner with capable operators in top-tier jurisdictions in order to maximize its risk-adjusted returns, with a corporate strategy of pursuing value and quality over quantity.

Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's royalty and stream programs. The overall market conditions for smaller resource companies are another significant risk factor. The Company is not aware of any seasonality encountered by precious metals-focused royalty and streaming companies that may have a material effect upon its financial condition.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity and commodity markets provide favourable conditions for completing financings, public mergers, or acquisition transactions.

Green Star Portfolio Strategy

Following Green Star's non-brokered private placement in May 2022, the Company's management team continues to manage both Star Royalties' precious metals portfolio of royalties and streams, as well as Green Star's portfolio of North American carbon credit royalties and cleantech investment.

Green Star's strategy is to provide shareholders with exposure to rising carbon credit pricing and to generate superior returns through the origination of green royalties and streams. Management's focus will be on funding new carbon offset projects across nature-based solutions (regenerative agriculture and improved forest management), renewable energies (solar, wind), as well as other cleantech investments.

Green Star intends to leverage its growing internal carbon markets and project evaluation expertise, its strong working partnership with Anew Climate, LLC (formerly Blue Source, LLC), North America's leading carbon offset developer and marketer, as well as its existing relationships with numerous Canadian Indigenous communities, First Nations, and various other corporations to source and originate new nature-based projects that will enable positive environmental benefits and generate carbon offset credits. Green Star's investment philosophy is focused on growing its pipeline of near-cash flowing green opportunities in both voluntary and compliance carbon markets with a strong priority on North American investments.

Review of Financial Performance

Three months ended December 31, 2022 and 2021

Revenue

Revenue for the fourth quarter of 2022 totaled \$423,052, an increase of 166% compared to \$158,776 for the comparative period in 2021. Royalty income for the fourth quarter of 2022 was comprised of \$382,761 from Keysbrook (fourth quarter 2021 - \$158,776) and \$40,291 from Elk Gold (fourth quarter 2021 - \$Nil).

Depletion

Depletion expense for the fourth quarter of 2022 totaled \$194,032, an increase of 266% compared to \$52,970 for the comparative period in 2021. Depletion expense for the fourth quarter of 2022 was comprised of \$163,318 on Keysbrook (fourth quarter 2021 - \$52,970) and \$30,714 on Elk Gold (fourth quarter 2021 - \$Nil). Higher depletion expense on Keysbrook for the fourth quarter of 2022 was due to greater quantities sold by the operator in comparison to the same period in 2021.

Operating expenses

Operating expenses for the fourth quarter of 2022 totaled \$779,327 compared to \$525,711 for the comparative period in 2021. The following table provides a breakdown of total operating expenses incurred for the three months ended December 31, 2022 and 2021:

	Three months ended December 31, 2022	Three months ended December 31, 2021
Marketing and shareholder communications	\$ 30,207	\$ 81,286
Management and board compensation	466,609	239,072
Office and miscellaneous	50,546	50,035
Professional fees	94,525	52,514
Share-based compensation	137,440	102,804
Total expenses	\$ 779,327	\$ 525,711

Management and board compensation increase was driven by an increase in headcount and general increase in compensation. Professional fees were higher for the fourth quarter of 2022 mainly due to corporate structuring work related to Green Star.

Other income

The following table provides a breakdown of the other income for the three months ended December 31, 2022 and 2021:

	Three months ended December 31, 2022	Three months ended December 31, 2021
Foreign exchange (loss) income	\$ (16,110)	\$ 31,820
Interest income	18,840	3,839
Management fees from Green Star joint venture	113,182	-
Equity income from Green Star joint venture	1,079,926	-
Other income	\$ 1,195,838	\$ 35,659

Year ended December 31, 2022 and 2021*Revenue*

Revenue for 2022 totaled \$1,415,498, an increase of 43% compared to \$988,030 for the comparative period in 2021. The increase in revenue was due to a 33% increase in Keysbrook royalty income and the commencement of royalty income from Elk Gold in the second quarter of 2022.

Depletion

Depletion expense for 2022 totaled \$701,746 compared to \$625,205 for the comparative period in 2021. Depletion expense for 2022 was comprised of \$625,565 on Keysbrook (2021 - \$625,205) and \$76,181 on Elk Gold (2021 - \$Nil).

Operating expenses

Operating expenses for the year ended December 31, 2022 totaled \$3,087,941 compared to \$2,894,725 for the comparative period in 2021.

The following table provides a breakdown of total operating expenses incurred for the year ended December 31, 2022 and 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Marketing and shareholder communications	\$ 245,846	\$ 203,275
Management and board compensation	1,543,823	910,035
Office and miscellaneous	248,425	246,925
Professional fees	267,287	601,445
Share-based compensation	782,560	933,045
Total expenses	\$ 3,087,941	\$ 2,894,725

Management and board compensation increase was primarily due to a departure benefit paid in the second quarter of 2022, general increase in compensation and an increase in headcount. Marketing and shareholder communications increase was due to an increase in marketing and investor relation activities in 2022. Professional fees were higher in 2021 because of legal costs relating to the Company's go public transaction that was completed in February 2021 and the structuring costs on Green Star that were incurred in the third and fourth quarters of 2021.

Other income

The following table provides a breakdown of the other income for the year ended December 31, 2022 and 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Foreign exchange income	\$ 171,575	\$ 110,626
Interest income	33,900	48,401
Management fees from Green Star joint venture	269,091	-
Equity income from Green Star joint venture	1,080,747	-
Green Star transaction	18,543,603	-
Other income	\$ 20,098,916	\$ 159,027

As a result of the closing of the private placement between the Company and Agnico Eagle, the Company recorded a gain of \$18,543,603 in the consolidated statement of income (loss) and comprehensive income (loss) representing a fair value gain on Green Star's Regen Ag carbon credit contract (the "Regen Ag contract") with Anew Climate LLC ("Anew", formerly Blue Source, LLC). Upon the recognition of the gain on the Regen Ag contract, the Company derecognized Green Star's net assets of \$19,626,315 (comprised of \$18,543,603 Regen Ag contract and \$1,082,712 in other royalty assets) and recorded its investment in the Green Star joint venture of \$19,626,315 (CAD\$25,000,000). The initial investment the Green Star joint

venture was based on fair value of Green Star Shares at CAD\$1.00 per share. The gain from the Green Star transaction was previously reported in the Q2-2022 unaudited condensed interim consolidated statements of income/(loss) and other comprehensive income/(loss) as \$18,575,690 and is now trued up to \$18,543,603.

Summarized Quarterly Financial Information

The following table presents a summary of the Company's quarterly results of operations for each of its last eight quarters¹.

	Q4 2022	Q3 2022	Q2 ¹ 2022	Q1 2022
Revenue	\$ 423,052	\$ 334,192	\$ 350,595	\$ 307,659
Net (loss) income	530,775	(276,496)	17,784,057	(706,393)
Basic and diluted (loss) income per share	(0.01)	(0.00)	0.24	(0.01)
Cash flow from (used in) operating activities	25,469	58,180	(286,703)	(564,625)
Cash flow used in investing activities	-	(44,019)	(135,354)	(722,078)
Cash flow from financing activities	-	-	-	-
Total assets	46,616,448	45,150,107	48,022,739	31,083,633

	Q4 ² 2021	Q3 ² 2022	Q2 ² 2021	Q1 ² 2021
Revenue	\$ 158,776	\$ 322,083	\$ 298,496	\$ 208,675
Net loss	(431,879)	(457,238)	(805,293)	(974,872)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)
Cash flow used in operating activities	(206,278)	(92,758)	(305,114)	(500,758)
Cash flow used in investing activities	-	(10,312,780)	-	(6,008,911)
Cash flow from financing activities	-	-	-	19,527,719
Total assets	31,216,617	31,610,006	31,803,108	31,704,229

¹ Q2-2022 net income and basic and diluted income per share have been updated to reflect the gain from Green Star transaction to be \$18,543,603, which was previously reported as \$18,575,690 in the Q2-2022 unaudited condensed interim consolidated statements of income/(loss) and other comprehensive income/(loss).

² 2021 quarterly results have been updated to reflect prior period adjustments. Please refer to note 2 to the Consolidated Financial Statements for details.

The revenue increase in 2022 was driven by higher royalty income from Keysbrook and royalty income from Elk Gold as it became a producing asset in Q2 2022. The increase in net loss for Q4 2022 in comparison to Q3 2022 was due mainly to a true up of bonus accrual, and a higher equity loss from Green Star as a result of Green Star's increase in operating expenses due to increase in headcount. Net income for Q2 2022 was higher than normal due to a one-time gain from deconsolidation of subsidiary. The increase or decrease in net loss from quarter to quarter is generally driven by the timing of quarterly operating expenses and foreign currency fluctuations.

The decrease in total assets in Q3 2022 in comparison to Q2 2022 was primarily due to currency translation adjustment on a weakening Canadian dollar. The increase in total assets in Q2 2022 was a result of the investment in the Green Star joint venture. Cash inflow in Q1 2021 was a result of net proceeds from the completion of the Company's initial public offering (the "IPO") and the partial exercise of the over-allotment option by the syndicate of underwriters.

Selected Annual Financial Information

	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	\$ 46,616,448	\$ 31,216,617	\$ 12,619,540
Financial liabilities	714,955	435,723	134,835
Working capital ¹	2,189,393	4,069,321	2,138,281
Shareholders' equity	45,901,493	30,780,894	12,484,705
Total revenue	1,415,498	988,030	9,801
Net income (loss)	17,331,943	(2,669,282)	(799,893)
Basic and diluted loss per share	0.24	(0.04)	(0.05)

¹ Working capital is a non-IFRS measure and calculated as Current Assets minus Current Liabilities as disclosed on the Statements of Financial Position.

Use of Proceeds from Financing

During the first quarter of 2021, the Company completed an IPO for gross proceeds of \$21,153,195 (CAD\$26,761,083) (net proceeds \$19,393,851), which included a partial exercise of the over-allotment option by the syndicate of underwriters.

The following table illustrates: (i) the intended use of the net proceeds of the IPO (with the net proceeds from the over-allotment exercised by the syndicate of underwriters allocated for working capital and general corporate purposes); and (ii) the actual use of proceeds from the IPO as at December 31, 2022:

Use of proceeds	Prior estimated amounts as at December 31, 2021	Actual use as at December 31, 2022
Payment of tranche 2 in respect to the Copperstone transaction	\$ 6,000,000	\$ 6,000,000
Payment in respect to the Elk Gold	\$ 10,000,000	\$ 10,000,000
Investment in the joint venture company Green Star	Nil	\$ 901,451
Working capital and general corporate purposes	\$ 3,393,851	\$ 2,492,400
Total	\$ 19,393,851	\$ 19,393,851

Balance Sheet Review

	December 31, 2022	December 31, 2021
Assets	\$ 46,616,448	\$ 31,216,617
Liabilities	714,955	435,723
Shareholders' equity	45,901,493	30,780,894

Assets

Total assets were \$46,616,448 at December 31, 2022 compared to \$31,216,617 at December 31, 2021. The Company's asset base is comprised primarily of royalty and stream interests, investment in joint venture and cash and cash equivalents. The increase in net assets resulted primarily from the recognition of the Company's 61.9% ownership in the Green Star joint venture based on the valuation from the non-brokered private placement of Green Star common shares completed in May 2022 and the equity income from Green Star joint venture.

Liabilities

Total liabilities at December 31, 2022 comprised of \$714,955 in accounts payable and accrued liabilities. The increase in liabilities reflects mainly the timing of payments.

Shareholders' equity

Shareholders' equity increased by \$15,120,599 at December 31, 2022 compared to December 31, 2021, reflecting total comprehensive income of \$14,338,039 and \$782,560 share-based compensation expenses recorded to contributed surplus.

Liquidity and Capital Resources

As at December 31, 2022, the Company had a working capital¹ balance of \$2,189,393. This balance included cash and cash equivalents of \$2,478,184 (December 31, 2021 - \$4,160,206), receivables of \$382,543 (December 31, 2021 - \$283,472) and prepaids of \$43,621 (December 31, 2021 - \$61,366) to settle current liabilities of \$714,955 (December 31, 2021 - \$435,723). The Company received total royalty payments of \$1,022,641 in respect of the Keysbrook and Elk Gold royalties for the year ended December 31, 2022.

Although the Company has not generated substantial income, we believe that the cash balance at December 31, 2022, the royalty income from Keysbrook and Elk Gold, and the management fees from the Green Star joint venture will be sufficient to fund operations and commitments for at least twelve months from the balance sheet date. To maintain liquidity in the future, the Company continues to investigate additional royalty and stream interests and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares and warrants. While the Company has been successful in obtaining the necessary financing for its operations and its contractual commitments in the past, there is no assurance that such financing will be available in the future or be available on terms acceptable to the Company.

¹ Working capital is a non-IFRS measure and defined as current assets less current liabilities.

Operating Activities

Net cash used for operating activities for the year ended December 31, 2022 was \$767,679 compared to \$1,104,908 in the same period of 2021. The decrease in net cash used for operating activities was due to timing of payments and receiving more royalty payments from Keysbrook and Elk Gold as compared to last year.

Investing Activities

Net cash used in investing activities of \$901,451 for the year ended December 31, 2022 was related to the investment in the joint venture company Green Star. The net cash used in investing activities of \$16,321,691 for the same period in 2021 was primarily comprised of a payment of \$10,000,000 to Almadex Minerals Ltd. for the acquisition of the 2% NSR on Elk Gold and a payment of \$6,000,000 to Sabre Gold in February 2021 pursuant to Streaming Agreement.

Financing Activities

There was no financing activity in the year ended December 31, 2022. Net cash received from financing activities was \$19,527,719 for the year ended December 31, 2021, comprised primarily of the net proceeds from the IPO in February 2021 and the over-allotment exercised by the syndicate of underwriters in March 2021.

Capital Resources

The Company will continue to seek capital. In the past, the Company has raised capital through the issuance of common shares pursuant to private placements. The Company manages its capital structure by maximizing

its financial flexibility, adapting to changing economic conditions and evaluating the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Related Party Transactions

Related parties include key management personnel, individuals or companies controlled by key management personnel, and Green Star. Related party transactions, including compensation to key management personnel and management fees paid to Green Star are presented in Note 8 of the consolidated financial statements for the year ended December 31, 2022. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers, including the Company's Executive Chairman, Chief Executive Officer, Chief Investment Officer, and Chief Financial Officer. Key management compensation and related party transactions are disclosed in Note 6 of the audited annual consolidated financial statements for the year ended December 31, 2022.

Non-IFRS Financial Measures

The Company used certain non-IFRS performance measures, such as free cash flow per share and working capital, throughout this MD&A.

Free cash flow per share is defined as cash flow from operating activities less capital expenditures divided by total number of common shares outstanding. Working capital is defined as current assets less current liabilities.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Outstanding Share Data

As of the date of this MD&A, there were 74,961,705 common shares of the Company issued and outstanding, 39,421,700 publicly traded warrants outstanding with an average exercise price of CAD\$1.00, 829,652 share purchase warrants outstanding with an average exercise price of CAD\$0.70, 4,025,000 stock options outstanding with an average exercise price of CAD\$0.68, and 1,953,098 restricted share units outstanding.

Off-Balance Sheet Arrangements

As at December 31, 2022, the Company had no off-balance sheet arrangements.

Critical Accounting Judgements and Estimates

The Company applied the critical accounting judgements and estimates as disclosed in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

Change in Accounting Policies

The change in accounting policies is disclosed in Note 4 of the audited annual consolidated financial statements for the year ended December 31, 2022.

Financial Instruments

The Company does not currently utilize complex financial instruments in hedging commodity price and foreign exchange exposures. Information relating to the Company's financial instruments is disclosed in Note 11 of the audited annual consolidated financial statements for the year ended December 31, 2022.

Note Regarding Scientific and Technical Information

Except where otherwise stated, the disclosure in this MD&A relating to properties and operations on the properties in respect of which Star Royalties holds royalty or stream interests is based in respect of the Copperstone Gold Project and the Elk Gold Project, on the following technical reports listed below and on additional publicly disclosed information relating to these assets after the date of the technical reports.

- "NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Gold Project, La Paz County, Arizona, USA" with an effective date of April 1, 2018 and report date of May 18, 2018, which technical report was prepared in accordance with NI 43-101 for Kerr Mines Inc. (currently Sabre Gold Mines Corp.) and filed under Sabre Gold's SEDAR profile on May 22, 2018.
- "NI 43-101 Technical Report, Updated Mineral Resource Estimate for the Copperstone Gold Project, La Paz County, Arizona, USA" with an effective date of September 3, 2021 and report date of September 21, 2021, which technical report was prepared in accordance with NI 43-101 for Sabre Gold Mines Corp. and filed under Sabre Gold's SEDAR profile on October 19, 2021.
- "NI 43-101 Technical Report, Updated Preliminary Economic Assessment on the Elk Gold Project" with an effective date of May 14, 2021 and report date of June 21, 2021, which technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp. and filed under Gold Mountain's SEDAR profile on June 22, 2021.
- "NI 43-101 Technical Report and Resource Update of the Elk Gold Project, Merritt, British Columbia, Canada" with an effective date of December 7, 2021 and report date of January 21, 2022, which technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp. and filed under Gold Mountain's SEDAR profile on January 21, 2022.

The technical and scientific information contained in this MD&A has been reviewed and approved in accordance with NI 43-101 by Timothy Strong, MIMMM, a "qualified person" as defined in NI 43-101 and independent of the Company.

Note Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements may include statements regarding: perceived merit of royalty and stream interests; statements relating to the economic viability of a royalty and stream interests; operational, strategic and supply chain timelines; strategic plans; future carbon negative positions; future financial position; targeted cash flow positions; access to capital; the ability to raise additional capital and complete future financings; completion of the Streaming Agreement; completion of private placements; completion of the transfer of carbon offset credit royalties; any other royalty and stream interest; market prices for metals; or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. The forward-looking information included in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical

trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. These assumptions include, but are not limited to, the following:

- our estimates of near, medium, and long-term commodity prices;
- for the properties in respect of which Star Royalties or Green Star holds a royalty or streaming interest, the operation continues as a going concern;
- planned growth and development activities;
- the accuracy of public statements and disclosures made by the owners or operators of such underlying properties, including with respect to Mineral Resources, Mineral Reserves, construction timelines, production estimates and other related matters, as applicable;
- that each counterparty will satisfy its obligations in accordance with the royalty or stream contract to which it is a party with Star Royalties or Green Star, and that each such contract will be enforceable in accordance with its terms;
- no adverse development relating to any property in respect of which Star Royalties or Green Star holds a royalty or stream;
- that projects not yet in production or in development included in Star Royalties' or Green Star's asset portfolio will be developed, transitioned into production or development, and successfully achieve production and commercial ramp-up, in each case, in accordance with Star Royalties' expectations;
- that the completion of the Copperstone transaction will be completed in accordance with its terms, as amended;
- the absence of an outbreak or escalation of infectious diseases or other similar health threats, including COVID-19, that could result in the suspension, shutdown, or delay of the operations in the properties in which Star Royalties or Green Star holds an interest;
- the impact of the conflict between Russia and Ukraine, any escalation thereto and its impacts on the global economy or on the Company's business;
- no material changes will occur with respect to Star Royalties' or Green Star's existing tax treatment; and
- the absence of any other factors that could cause actions, events, or results to differ from those anticipated, estimated, intended, or implied.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- limited operating history and uncertainty of future revenues;
- changes in commodity prices will affect the revenues generated from our portfolio and the profitability of Star Royalties;
- Star Royalties has no or limited control over the operation of the properties in respect of which Star Royalties holds a royalty or a stream interest and the operators' failure to perform or decision to cease or suspend operations will affect the revenues of Star Royalties;
- risks related to health epidemics and pandemics including COVID-19 and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect the Company's business, financial condition, and results of operations;
- risks related to employee health, workforce productivity in the mines where the Star Royalties has stream and royalty interests, increased insurance premiums, limitations on travel, supply chain interruption, the availability of industry experts and personnel and other factors that will depend on future developments beyond the Star Royalties' control;
- risks related to the effective operation of any entity under the joint venture arrangement;
- increased competition for royalties, streams and other interests could adversely affect Star Royalties' ability to acquire additional royalties, streams, and other interests in mineral properties;
- some of the properties in respect of which Star Royalties holds an interest may never achieve commercial production, and Star Royalties may lose its entire investment;
- sales of assets in respect of which Star Royalties holds an interest may result in a new operator and any failure of such operator to perform could affect the revenues of Star Royalties;

- Star Royalties may acquire royalties, streams, or other interests in respect of properties that are speculative and there can be no guarantee that mineable deposits will be discovered, developed, or mined;
- Star Royalties has limited access to data and disclosure regarding the operation of properties in respect of which it holds interests, which will affect its ability to assess and predict the performance of its royalties or streams;
- Star Royalties depends on its operators for the calculation of certain payments, and it may not be possible to detect errors in payment calculations;
- Star Royalties is dependent on the payment or delivery by the owners and operators of the properties in respect of which Star Royalties has a royalty or stream, and any delay in or failure of such payments will affect the revenues generated by the asset portfolio;
- global financial conditions may destabilize;
- royalties or streaming interests may not be honoured by operators of a project;
- not all of Star Royalties' royalties or streams are secured, Star Royalties' security interests, if any, may be subordinated, and security interests may be difficult to enforce;
- Star Royalties' profitability, results of operations and financial condition are subject to variations in foreign exchange rates;
- operators of mines may not be able to replace depleted Mineral Reserves and Mineral Resources, which would reduce Star Royalties' revenue from royalties or streams;
- Star Royalties can provide no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be on terms acceptable to the Company;
- Star Royalties may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business;
- certain of Star Royalties' directors serve in similar positions with other public companies, which could put them in a conflict position from time to time;
- changes in the interpretation of tax legislation or accounting rules could affect the profitability of Star Royalties;
- changes in governmental and environmental regulation that results in increased costs;
- Star Royalties has a history of losses, and it may be unable to achieve profitability;
- Star Royalties is indirectly exposed to many of the same risk factors as the owners and operators of properties in respect of which it holds a royalty or stream interest;
- production at mines and projects in respect of which Star Royalties holds royalty or stream interests is dependent on operators' employees;
- production forecasts may not prove to be accurate;
- the exploration and development of Mineral Resource properties is inherently dangerous and subject to risks beyond the control of Star Royalties;
- defects in title to properties underlying Star Royalties' royalty or stream interests may result in a loss of entitlement by the operator and a loss of Star Royalties' interest;
- future litigation affecting the properties in respect of which Star Royalties holds its royalty or stream interests could have an adverse effect on Star Royalties;
- the operations in respect of which Star Royalties holds a royalty or stream require various property rights, permits and licenses to be held by the operator in order to conduct current and future operations, and delays or a failure to obtain or maintain such property rights, permits and licenses, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations or exploration on the properties;
- Star Royalties is exposed to risks related to the construction, development, expansion, and/or exploration in relation to the mines, projects, and properties in respect of which it holds a royalty or stream interest;
- additional costs may be incurred by mineral property operators as a result of international climate change initiatives and may affect the availability of resources and cause business disruptions, which could reduce Star Royalties' revenues;
- certain operators are subject to risks relating to foreign jurisdictions which could negatively impact Star Royalties;
- Star Royalties is subject to risks related to certain operations in developing economies; and
- the forward-looking statements contained in this MD&A or incorporated by reference may prove to be incorrect.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors.

The Company's forward-looking statements are based on the beliefs, expectations, and opinions of management on the date of this MD&A, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

More information about the Company, including its recent financial reports and Annual Information Form for the year ended December 31, 2022 is available under the Company's profile on SEDAR at www.sedar.com.

Disclosures of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that: (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors and Additional Information

Please refer to the Company's most recent Annual Information Form filed on SEDAR at www.sedar.com for further discussion of risk factors and other information.