



News Release

Star Royalties Reports Q1 2023 Financial Results

May 25, 2023, 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, 2023. All amounts are in U.S. dollars, unless otherwise indicated.

Q1 2023 Corporate and Portfolio Highlights

- Quarterly revenues of \$271,429, representing a 12% decline over the prior-year quarter due to lower mineral sands sales at Keysbrook.
- Quarterly net income of \$69,539 was positively impacted by a \$606,880 recognition of equity income from the Green Star Royalties Ltd. joint venture (“**Green Star**”).
- Increased quarterly revenue from the Elk Gold mine of \$54,959 related to continued improvements in mined gold grades.
- Green Star’s flagship regenerative agriculture carbon farming program continued to see steady farmer enrollment and is in the process of listing under the Verra Registry.
- MOBISMART Mobile Off-Grid Power & Storage Inc. (“**MOBISMART**”) became the first cash flowing royalty for Green Star.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: “During the first quarter of 2023, Keysbrook performed in line with internal expectations, while Elk Gold’s continued mined grade improvements resulted in higher royalty payments. Our majority-owned subsidiary, Green Star, is pleased to report that MOBISMART became its first cash flowing royalty as MOBISMART continues to execute on its cleantech sales pipeline across multiple industries. Green Star’s flagship regenerative agriculture program is undergoing listing under the Verra Registry, which should lead to several catalysts throughout this year. In addition, Green Star continues to evaluate capital raising opportunities to transact on its significantly expanded portfolio of carbon opportunities. Our team is working diligently and we believe 2023 will be a transformative year of unlocking value for our shareholders.”

Summary of Q1 2023 Financial Results

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
Revenue	\$ 271,429	\$ 307,659
Net Income (loss)	69,539	(706,393)
Basic and diluted income (loss) per share	0.00	(0.01)
Cash flow from operating activities	(369,976)	(564,625)
Cash flow from investing activities	-	(722,078)
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, 2023, available on SEDAR at [sedar.com](https://www.sedar.com) or on the Company's website at starroyalties.com.

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 delivered operating results ahead of the Company's internal expectations. In the first quarter of 2023, royalty revenues from Keysbrook were \$216,470, which was 30% lower compared to the prior-year quarter due to lower mineral sands sales, but was in line with internal Q1 2023 expectations.

Elk Gold Mine

Gold Mountain Mining Corp. ("**Gold Mountain**") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) continued ore mining operations and deliveries to New Gold Inc. (TSX, NYSE American: NGD) and has demonstrated continued grade profile improvements through the end of the current quarter. For the period ending March 31, 2023, Elk Gold benefited from continued month-over-month improvements in mined gold grades, with the highest grades to date reported in the month of March. Improved grades have been partially offset by lower ore throughput during the period, associated mostly with weather-related challenges. As a result of improving mined grades, which exceeded the last reported average mined grade of 5.5 g/t Au (in the quarter ending January 31, 2023), the quarterly royalty payment from the Elk Gold mine increased to \$54,959. After the end of the first quarter, Gold Mountain entered into a C\$3.3 million silver royalty on the Elk Gold mine and completed its final C\$3 million property payment related to its original purchase of the Elk Gold mine. These respective developments provide a third-party validation of the Company's value accretion since having acquired the royalty in September 2021 and enhance Gold Mountain's financial position. Gold Mountain expects to release an updated Preliminary Economic Assessment ("PEA") and a mineral resource update in the fourth quarter of 2023. The Company's

management conducted a site visit to the Elk Gold mine in April and received an update on its underground expansion potential. Gold Mountain has begun discussions with the British Columbia Government and early engagement with surrounding Indigenous communities to proactively manage any permitting or community requirements. Gold Mountain anticipates providing a more detailed project update as part of the revised PEA.

Green Star Joint Venture (61.9% interest)

During the first quarter of 2023, Green Star continued to review and expand its investment pipeline of premium, North American, nature-based environmental solutions. These opportunities include potential investments in regenerative agriculture, improved forest management, livestock enteric methane reduction, biochar, and other category types. Green Star also continues to evaluate capital raising opportunities through a combination of private and public markets to begin transacting on its advanced-stage 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, was appointed as Co-Chair of IETA’s 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 (“**Anew**”) and Locus Agricultural Solutions® (“**Locus AG**”). The program’s farmer enrollment is now progressing beyond its original 320,000-acre scope and the program is currently undergoing listing by Anew under the Verra Registry. CarbonNOW is being developed under the grouped project “Anew Agri-Carbon Project” under Verra’s Methodology for Improved Agricultural Land Management, v1.0 (VM0042). Following the listing phase, the project will undergo a public consultation period of 30 days, followed by validation and verification audits conducted by a third-party Verra-approved validation and verification body. Once these audits are finalized, the project will be registered and its associated carbon credits will be issued.

Soil sampling on enrolled acres is underway, with soil carbon measurements expected over the next several months. At the program’s full scope of 1.32 million acres of U.S. farmland, Green Star continues to expect to generate cash flow equivalent to well over 400,000 attributable carbon credits per year.

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 and fuel cell generation systems with integrated battery storage and diesel displacement capabilities. As previously reported, MOBISMART recently transitioned from research and development to commercialization, and in the first quarter of 2023, became Green Star's first cash flowing asset, with a quarterly royalty payment of \$3,131.

During the quarter, MOBISMART signed a multi-unit order to deliver trailerized solar units to a leading provider of LIDAR systems in North America. MOBISMART's products were selected due to their ability to provide dependable power in remote locations while both eliminating their client's reliance on diesel generators and improving project returns. In addition, pilot unit installations are underway with NAV CANADA, where MOBISMART aims to use its solar solutions combined with fuel cells to provide 100% guaranteed backup power at civil air navigation system sites maintained by NAV CANADA nationwide.

In the telecommunications segment, MOBISMART has commenced a pilot program with a large U.S. telecommunications provider to displace diesel as a primary power source as well as fuel cell technology to displace their battery backup power systems. This program is starting with major markets in Los Angeles and Dallas and is expected to continue to roll out across the United States.

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%. The EMS Forest Project represents one of four Improved Forestry Management ("**IFM**") projects being developed by Anew across 255,000 acres of Metis Settlement lands in Alberta. The project's carbon credits are anticipated to be issued either under the IFM protocol of Canada's Greenhouse Gas Offset Credit System (federal offset system), or the Technology Innovation and Emissions Reduction Regulation (Alberta offset system). Both compliance-grade IFM protocols are currently under development. Environment and Climate Change Canada anticipates that a draft of the federal protocol will be released for public comments during the second quarter of 2023, with the final version to follow in the fall of this year. As the federal and provincial IFM protocols near finalization, the project stakeholders will choose the respective protocol that will maximize carbon credit value and other benefits for the EMS Forest Project.

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
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 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 and Agnico Eagle Mines Limited 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.