



News Release

Star Royalties Announces Strategic Investment by Cenovus Energy into Green Star Royalties

December 7, 2023, TORONTO, ON – Star Royalties Ltd. (“**Star Royalties**”, or the “**Company**”) (TSXV: STRR, OTCQX: STRFF) is pleased to announce the closing of a strategic investment (the “**Strategic Investment**”) into Green Star Royalties Ltd. (“**Green Star**”) by Cenovus Energy Inc. (“**Cenovus**”) (NYSE, TSX: CVE) for total consideration of C\$21.2 million. Following this Strategic Investment, Cenovus will own 25.9% of the common shares of Green Star along with the right to invest alongside Green Star in high-integrity carbon projects.

Green Star now operates as a joint venture between Star Royalties, Agnico Eagle Mines Limited (“**Agnico Eagle**”) (NYSE, TSX: AEM), Cenovus, and certain members of Star Royalties’ and Green Star’s management teams and Boards of Directors (collectively, “**Management**”).

The Strategic Investment adds another leading Canadian natural resources and environmental, social and governance (“**ESG**”) sector leader as a strategic shareholder of Green Star following Agnico Eagle’s strategic investment in Green Star in May 2022. Following the Strategic Investment, 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.

BMO Capital Markets and TD Securities Inc. are acting as financial advisors to Green Star. Green Star intends to undertake a brokered private placement (the “**Follow-On Offering**”) with Management participation. Completion of the Follow-On Offering will be subject to, among other things, approval of the TSX Venture Exchange.

Investment Highlights

- **Second cornerstone shareholder:** Cenovus, a senior Canadian-based integrated energy company, becomes a key shareholder and cornerstone joint-venture partner in Green Star.
- **Support of business model:** The Strategic Investment further supports Green Star's position as a leader in innovative carbon finance, recognizing Green Star's portfolio of North American nature-based carbon royalties, investment pipeline, and carbon industry expertise.
- **Expanded Green Star Board and Technical Committee:** Green Star's Board of Directors and Technical Committee will include two appointees from each of Star Royalties, Agnico Eagle and Cenovus.
- **Pathway to grow Green Star:** Proceeds from the Strategic Investment and the proposed Follow-On Offering are expected to accelerate Green Star's ability to execute on its pipeline of advanced-stage opportunities with the potential to generate further value accretion.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "We are honoured to have Cenovus become Green Star's second cornerstone joint-venture partner. We welcome their participation and expertise as not only a highly reputable senior Canadian energy company, but also a sustainability leader in their industry. Green Star's carbon investment strategy continues to be based on quality, scalability, longevity, and integrity, and with two leading natural resource companies as joint-venture partners, we believe we are strongly positioned to be the quality leader and financing partner of choice in this growing sector."

"Green Star's objective is to originate high-quality North American carbon offset projects. We began our journey by innovating the first carbon offset royalties and are now progressing our regenerative agriculture and improved forest management investments towards first offset issuance and royalty cash flow. We look forward to deploying additional capital into our growing investment pipeline of projects spanning regenerative agriculture, improved forest management, reforestation, livestock enteric methane reduction, grasslands, biochar, and other category types."

"Sustainability considerations help shape everything we do," said Rhona DelFrari, Chief Sustainability Officer and Executive Vice-President Stakeholder Engagement at Cenovus. "This investment aligns with our focus on being a sustainability leader and provides new opportunities for business growth and development in this emerging sector. We look forward to participating at the Board and Technical Committee levels to advance the strategic goals of the organization."

CONTACT INFORMATION

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About Cenovus Energy Inc.

Cenovus Energy Inc. is an integrated energy company with oil and natural gas production operations in Canada and the Asia Pacific region, and upgrading, refining and marketing operations in Canada and the United States. The company is focused on managing its assets in a safe, innovative and cost-efficient manner, integrating environmental, social and governance considerations into its business plans.

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 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 the use of proceeds from Strategic Investment, the Follow-On Offering, the completion thereof and the use of proceeds therefrom, future market conditions for metals, minerals and carbon offset credits, future capital raising opportunities, and the future business growth of the Company and Green Star. 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 and any other current conflicts, 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 Follow-On Offering 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.