

# Star Royalties Ltd. Reports Q3 2023 Financial Results

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TORONTO, Nov. 22, 2023 - [Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV:STRR) (OTCQX:STRFF) is pleased to report its financial results for the quarter ended September 30, 2023. All amounts are in U.S. dollars, unless otherwise indicated.

## Q3 2023 Financial and Corporate Highlights

- Quarterly revenues of \$271,567, representing a 44% increase over the prior quarter due to improved mineral sands sales at Keysbrook.
- Quarterly net loss of \$277,408 included a \$251,851 foreign exchange-driven equity gain from the Green Star Royalties Ltd. joint venture ("Green Star").
- Green Star's flagship regenerative agriculture carbon farming program was officially listed under Verra's Methodology for Improved Agricultural Land Management, v2.0 (VM0042) ("Verra") and is currently proceeding to third-party validation.
- The recently announced Copperstone gold stream restructuring improved the Company's balance sheet and enhanced the project's economics and funding options.
- MOBISMAART Mobile Off-Grid Power & Storage Inc. ("MOBISMAART") continues to expand sales volumes and their customer pipeline.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "During the third quarter of 2023, our team continued to work diligently to position both Star Royalties and Green Star for upcoming success. Keysbrook performed in-line with internal expectations, and we restructured Copperstone's stream to achieve a 400% increase in exposure to its life-of-mine production profile and significant exploration potential, while converting a portion of its value into immediate and near-term cash and securities. Green Star's flagship regenerative agriculture program continues to advance and has now entered the third-party validation phase under the Verra registration process. Lastly, but importantly, we continue to actively evaluate capital raising opportunities to be well positioned to begin transacting on Green Star's expanded pipeline of carbon investments."

## Summary of Q3 2023 Financial Results

Quarter ended Sept. 30, 2023	Quarter ended Sept. 30, 2022
\$ 271,567	\$ 334,192
Net loss (277,408)	(276,496)
Basic and diluted loss per share (0.00)	(0.00)
Cash flow (used in) (99,563)	58,180
from operating activities	

Cash flow (used in)- from investing activities	(44,019)
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 September 30, 2023, available on SEDAR+ at [sedarplus.ca](http://sedarplus.ca) or on the Company's website at [starroyalties.com](http://starroyalties.com).

### Significant Portfolio Updates

#### Keysbrook Mine

In the third quarter of 2023, royalty revenues from Keysbrook were \$245,194, roughly in-line with operator's budget, and higher compared to the prior quarter due to increased mineral sands sales in the period, reflecting the variability inherent in bulk-shipped products.

#### 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) during the third quarter. The third quarter royalty payment from the Elk Gold Mine declined to \$26,373 compared to \$52,801 in the previous quarter, primarily due to lower ore shipments by Gold Mountain. For its quarter ended July 31, 2023, Gold Mountain reported total gold sales of 965 ounces gold and generated total revenue of C\$2.2 million from the Elk Gold Mine. Revenues from the Elk Gold Mine were also affected by a lower average gold grade delivered as a result of negative grade reconciliation during the period.

Gold Mountain reported in its fiscal quarter outlook in September that it is overcoming its operational challenges and it anticipates transitioning into a steady state of production during the remainder of 2023. In particular, Gold Mountain reported that it is looking to improve the accuracy of grade forecasting, as well as leverage improved data collection/analysis, drilling and blasting designs, and sampling techniques to reduce the volatility of future operating results. In addition, Gold Mountain has stated that it is looking to initiate technical and economic studies required for the permit expansion from 70,000 tonnes of ore mining per year to 324,000 tonnes of ore mining per year in 2024.

#### Copperstone Gold Project

On September 14, 2023, Sabre Gold Mines Corp. ("Sabre Gold") (TSX:SGLD),(OTCQB:SGLDF) announced the sale of its Brewery Creek Project and other certain mineral assets in the Yukon to Victoria Gold Inc. ("Victoria Gold") (TSX:VGCX) for an aggregate consideration of C\$13.5 million.

Following the end of the quarter, on October 3, 2023, Star Royalties entered into a non-binding agreement with Sabre Gold to restructure its existing gold streaming agreement on the Copperstone Gold Mine ("Copperstone"). The Copperstone gold stream restructuring closed on October 31, 2023, where the stream was revised from 6.6% of gold produced with production-based step-downs to a flat 4% of gold produced for the duration of Copperstone's life-of-mine. Under the terms of the streaming agreement, Star Royalties will continue to provide a cash payment to Sabre Gold equal to 25% of the spot gold price for each ounce of gold

delivered. As part of the restructuring, additional consideration of C\$4.55 million will be paid by Sabre Gold to Star Royalties in a combination of cash and Victoria Gold shares received from Sabre Gold's sale of its Brewery Creek Project.

On November 1, 2023, Star Royalties received the first tranche of its additional consideration, consisting of C\$1.55 million in cash and 7,407,407 Sabre Gold shares at a price of C\$0.135 per common share of Sabre Gold, equating to C\$1 million in Sabre Gold shares at the time. As a result, Star Royalties is currently a 9.4% shareholder of Sabre Gold. Additional information on the terms of the restructuring and its rationale can be found in the Company's press releases dated October 3 and November 2, 2023. The Company believes that the new structure of the Copperstone gold stream is a positive development in that it improves the Company's balance sheet, enhances project economics, and improves the long-term optionality on Copperstone's exploration and production potential.

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

During the third quarter of 2023, Green Star continued to advance its investment pipeline of premium North American, nature-based carbon offset projects. In addition, management was focused on progressing the evaluation of private-market capital raising opportunities that would allow Green Star to make future investments in regenerative agriculture, improved forest management, reforestation, livestock enteric methane reduction, grasslands, biochar, and other category types. Green Star will look to transact on several of these projects upon completion of an eventual capital raise.

#### Voluntary Carbon Market Update

Green Star is committed to funding premium North American, nature-based solutions in both the compliance and voluntary carbon markets. Carbon credit pricing in Green Star's focus markets remains robust and at near-peak levels, which is in stark contrast to pricing for lower-quality credits that have been subject to several negative news articles. Green Star expects the bifurcation of the voluntary carbon market to continue, with higher quality projects in premium jurisdictions garnering increasing premiums from domestic emitters, while projects that do not meet integrity and quality benchmarks likely to attract lower demand and pricing. The overwhelming theme in the voluntary carbon market for much of 2023 has been about ensuring project quality and carbon credit integrity. During New York Climate Week, industry leaders called upon corporations to act now and unlock the required supply of high-integrity carbon credits. Given the current undersupply of these credits, their associated pricing premiums could outperform other carbon assets, well positioning Green Star with its strategic focus on North America and nature-based solutions positions for success in a quality-driven voluntary carbon market.

Looking into 2024, further voluntary carbon market developments are anticipated from two main initiatives: The Integrity Council for the Voluntary Carbon Market ("ICVCM") and the Voluntary Carbon Markets Integrity Initiative ("VCMI"). During the third quarter of 2023, both VCMI and ICVCM commenced working groups to facilitate an industry-wide understanding of quality.

- VCMI launched the VCMI Stakeholder Forum to ensure that its guidance is well designed, easy to understand, and effective. The Forum will provide feedback on the Claims Code of Practice, released in June 2023, to provide clear guidance when voluntary carbon credits can be used as a part of an emissions reduction strategy and to provide clarity on the claims that can be made regarding the use of carbon credits. Following early market reaction that the code is too restrictive, VCMI has publicly indicated the next release, expected in late November, will provide additional flexibility for better use case options.
- ICVCM released the first part of the Core Carbon Principles ("CCP") and the Program-Level Assessment Framework and Assessment Procedure, followed by the Category Assessment Framework later in the year. The CCP label is intended to be assigned to carbon credits of high integrity, quality, and transparency, while the frameworks are designed to assess which categories of carbon credits (i.e., energy, forestry, waste management, etc.) are aligned with the CCP and, consequently, are of high integrity and could receive CCP labels. Green Star anticipates CCP-labelled credits will trade at a premium and will allow companies using these carbon credits to make credible claims about their net-zero commitment while eliminating reputational risks. The first set of fast-tracked credit categories is expected to be announced in early 2024.

Other notable developments:

- Carbon-crediting programs such as Verra can now apply for CCP assessment. Once assessments are complete, programs deemed to be CCP-eligible will be able to issue CCP-labelled credits from CCP-Approved categories of carbon credits.
- California passed a bill related to voluntary carbon markets. Bill AB1305 (Voluntary Carbon Market Disclosures) will require buyers and sellers of voluntary carbon credits to disclose specific information about carbon projects on their website, or face fines. This bill reflects the growing focus by regulators to ensure transparency on transactions in carbon markets.

## 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 CarbonNOW program was officially listed under Verra's Methodology for Improved Agricultural Land Management, v2.0 ("VM0042") on September 19, 2023, under the "Anew Agri-carbon Aggregation 1" project (ID 4236). The project's 30-day public consultation period was completed in October and the project is now transitioning to its validation phase with the engagement of a third-party validation and verification body. In parallel, Green Star continues to engage with Anew and Locus AG to ensure the project is optimized for maximum carbon offset generation as well as to ensure maximum alignment between all involved parties.

While VM0042 v2.0 has introduced additional conservatism, including revisions to buffer pool requirements and statistical uncertainty discounts, Green Star continues to expect to generate cash flow equivalent to well over 400,000 attributable carbon credits per year at the program's full scope of 1.32 million acres.

## MOBISMART

Green Star owns 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. In early 2023, MOBISMART transitioned from research and development to commercialization, and became Green Star's first cash flowing asset.

During the third quarter of 2023, MOBISMART significantly increased solar unit sales to North American customers that are building out their wind LiDAR fleets. In addition, MOBISMART has continued to expand its fuel cell offerings using higher powered cells to further penetrate the telecommunication markets across North America. MOBISMART expects that this higher power spectrum will accelerate the adoption of its products in decarbonizing the telecom sector, as evidenced by a current engagement with a major US telecom company to pilot its products as power backup systems for cell towers in California and Texas.

## CONTACT INFORMATION

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

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### 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, risks 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 Ltd.](#) 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.

SOURCE: [Star Royalties Ltd.](#)

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