

Star Royalties Ltd. Reports Audited Financial Results for 2024

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[Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV: STRR, OTCQX: STRFF) today reported its financial results for the year ended December 31, 2024, as well as provided an update on its mining royalty portfolio and its Green Star Royalties Ltd. ("Green Star") joint venture. All amounts are in U.S. dollars, unless otherwise indicated.

2024 Financial and Corporate Highlights

- Outlook for the Company's mining royalty portfolio has improved considerably, both due to asset de-risking and the steadily rising gold price, currently exceeding US\$3,200/oz.
- The Copperstone Gold Mine (Copperstone) was acquired by Minera Alamos Inc. ("Minera Alamos") (TSXV: MAI, OTCQX: MAIFF), resulting in an accelerated pathway to production in 2026, with multiple development and construction catalysts expected over the next 12 months.
- Upcoming initiatives at [Gold Mountain Mining Corp.](#) (Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) include resumption of mining activities and resource expansion drilling in the Bullion Zone, as well as an updated National Instrument 43-101 compliant mineral resource estimate and a Preliminary Economic Assessment (PEA), anticipated for the second half of 2025.
- 2024 revenues were 14% lower than in the prior year, due to continued operational challenges at the Elk Gold Project (Elk") while Keysbrook continued to deliver consistent operating results.
- Green Star acquired a portfolio of U.S. forest carbon offset royalties from NativState LLC (NativState") and received its first carbon offset delivery, with monetization of offsets underway.
- Worsening carbon market conditions and a deteriorating CarbonNOW risk/return profile resulted in the decision to terminate future capital commitments to the carbon farming program.

Summary of Annual Financial Results

	Year ended	Year ended
	December 31, 2024	December 31, 2023
Revenue	\$ 811,241	\$ 940,499
Net (loss) income	(24,093,654)	5,637,616
Basic (loss) earnings per share	(0.31)	0.08
Diluted (loss) earnings per share	(0.31)	0.07
Cash flow from operating activities	(1,474,436)	(725,607)
Cash flow from investing activities	-	1,148,710
Cash flow from financing activities	-	-

For complete details, please refer to the Audited Consolidated Financial Statements and associated Management Discussion and Analysis for the year ended December 31, 2024, available on SEDAR+ at [sedarplus.ca](#) or on the Company's website at [starroyalties.com](#).

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "2024 was a mixed year for Star Royalties. Our mining royalty portfolio continued to de-risk in a record-breaking gold price environment. With Minera Alamos acquiring Sabre Gold, Copperstone now has a concrete pathway to production in 2026. We also expect several upcoming de-risking events, including construction updates at Copperstone, a return to normal operations at Elk, and continued solid performance from Keysbrook. At the same time, our Green Star joint venture has been impacted by turbulence and uncertainty in carbon markets, and we are disappointed at having had to terminate funding for the CarbonNOW program, which was decided upon with the sole goal of minimizing risk while preserving capital and shareholder value. We remain fully committed and longer-term bullish on Green Star and its decarbonization investment mandate, which includes cleantech opportunities and continues to be supported by its significant joint venture partners."

"We look forward to providing our shareholders with tangible updates over the course of 2025 as we progress towards generating meaningful free cash flow for Star Royalties next year. We note that both Copperstone's de-risking and materially higher gold price environment have not been reflected in our share price, and we believe this valuation gap should close as all our key mining royalty assets advance towards generating revenue in 2026."

Significant Portfolio Updates

Mining Royalty 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. 2024 operating results at Keysbrook were in-line with expectations, with full-year 2024 royalty income of \$783,585 being largely unchanged from \$785,254 recorded in 2023.

Copperstone Gold Mine

On October 28, 2024, Sabre Gold Mines Corp. ("Sabre Gold") announced that it had entered into a definitive agreement to be acquired by Minera Alamos. Following the closing of the transaction on February 6, 2025, the Company's holding of 13,842,4136 shares of Sabre Gold were converted into 9,592,792 shares of Minera Alamos. The Company's 4% gold stream pursuant to the gold streaming agreement on Copperstone remained unchanged following the close of the transaction.

On February 6, 2025, Minera Alamos announced that Copperstone became its priority development project and that they had initiated engineering efforts aimed at fast-tracking Copperstone's development, engaged with lenders regarding finance facilities and expanded their technical team. Copperstone's permits are currently in place for the restart of mining operations and Minera Alamos anticipates production to commence in mid-2026.

On March 12, 2025, Minera Alamos re-issued Copperstone's PEA. The PEA demonstrated potentially robust post-tax economics which benefitted from pre-existing infrastructure on surface and underground, as well as significant tax assets and a recently reduced royalty encumbrance on the project. The PEA supports the construction and development of a high-grade gold underground mining operation at Copperstone producing an average of 40,765 payable ounces of gold per year over its initial approximate six-year mine life. The PEA does not address or incorporate ongoing work and trade-off studies currently being evaluated by Minera Alamos.

Elk Gold Mine

Gold Mountain announced on December 10, 2024, that it closed a non-brokered private placement of flow-through common shares for gross proceeds of C\$1,210,000. On March 17, 2025, Gold Mountain provided an operational update for the quarter ended January 31, 2025. During this period, it continued to face operational challenges at Elk and reported mining a total of 10,055 tonnes of ore from the Siwash North

Pit with an average delivered ore grade of 1.23 g/t gold. Full-year 2024 royalty income from Elk was \$27,656 compared to \$155,245 in the 2023 period. At year-end 2024, an impairment assessment was conducted in accordance with International Accounting Standard 36 to determine the recoverable amount of the Elk royalty interest. In assessing the carrying value of the Elk royalty based on recent market information available, the Company recognized an impairment loss of \$2.0 million for the year ended December 31, 2024. A reassessment of the recoverable amount of the Elk royalty will be undertaken upon future changes in circumstances, such as the filing of an updated Technical Report.

Gold Mountain indicated that it continues to prepare for additional diamond-drill exploration, including progressing the resource certainty of the Siwash North Pit through infill drilling. They continue to advance exploration, environmental and technical work with a focus on expanding the mine permit. Subsequent to its reporting period, Gold Mountain staffed an internal geological and engineering team to support exploration and development activities, as well as hired additional crews at Elk to continue mining activities and commenced resource expansion drilling in the Bullion Zone, located directly north of the currently active Siwash Pit. It also initiated preliminary activities to generate an updated National Instrument 43-101 compliant mineral resource estimate and an updated PEA, anticipated for the second half of 2025.

Green Star Joint Venture (45.9% interest)

Green Star continues to operate as a joint venture between Star Royalties, [Agnico Eagle Mines Ltd.](#) ("Agnico Eagle") (NYSE, TSX: AEM), Cenovus Energy Inc. ("Cenovus") (NYSE, TSX: CVE), and certain members of Star Royalties' and Green Star's management teams and Boards of Directors (collectively, "Management"). 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.

Carbon Markets Update and Green Star Strategy

Over the past several quarters, North American voluntary and compliance carbon markets have experienced considerable headwinds, resulting in broad weakness across both carbon credit pricing and demand. Recent developments negatively impacting carbon markets include the U.S. removal from the Paris Agreement, executive orders against certain states' climate policies, significant economic and geopolitical uncertainty related to potential tariffs, as well as shifting trends in carbon credit marketing practices, with direct-to-developer transactions progressively becoming more common over traditional intermediary transactions. In addition to reduced carbon pricing and demand, these carbon market uncertainties have resulted in a recent insolvency announcement by a sizeable carbon credit offtaker, as well as the postponement of certain industry conferences.

In the voluntary carbon markets, nature-based solutions carbon offsets experienced a 10% price decrease overall during the first quarter of 2025. Total carbon offset issuances in Q1 2025 declined by 20% year-over-year to 61.2 million, the lowest Q1 volume since 2020, primarily due to a significant (33.5%) decrease in forestry issuances. Nature-based removal offsets comprised 2.9% of total issuances but represented 12.1% of total retirements, reflecting continued corporate preference for removals.

There have been several meaningful offtake announcements and climate commitments by major corporations in the recent months. However, overall worsening market conditions have had an adverse impact on the risk/return profile of several of Green Star's assets, requiring a reassessment of their economic feasibility relative to Green Star's internal rate of return requirements. As a result of Green Star's management review and necessary adherence to prudent capital allocation and risk management practices, Green Star decided to terminate future capital commitments to the CarbonNOW® carbon farming program. Additional details and rationale for the decision are described in the Regenerative Agriculture Carbon Farming Program section below and in the Company's press release "Star Royalties Provides Updates on Green Star Royalties Portfolio and Corporate Strategy", dated April 28, 2025.

The decision to terminate Green Star's involvement in the CarbonNOW program was unanimously supported by the Company's joint-venture partners, with a reaffirmed resolve to allocate Green Star's remaining capital to high-quality, de-risked, cash-flowing royalties on decarbonization projects and to grow Green Star prudently into a long-term decarbonization investment firm, with a continued strict focus on robust cleantech and premium carbon credit opportunities in top-tier jurisdictions.

Green Star continues to represent an important source of future value creation for Star Royalties and Management believes the joint venture is well positioned for an eventual turn in sentiment, with continued support from its major partners. In addition, the Company continues to believe the royalty model can be an excellent fit for the carbon markets and decarbonization sectors.

Regenerative Agriculture Carbon Farming Program

Green Star's regenerative agriculture investment in the CarbonNOW® farming program was a partnership with Locus Agricultural Solutions® ("Locus") that incentivized the adoption of regenerative agriculture practices by North American farmers on up to 1.32 million acres of farmland. Green Star had a 30% gross revenue royalty on the carbon program as of December 31, 2024.

Subsequent to the reporting period, in April 2025, following multiple months of program and carbon sequestration rate analysis and extensive consideration, Green Star and its joint venture partners reached an agreement to terminate future capital commitments to the CarbonNOW program due to a deteriorating return profile and a conclusion that both known and unknown risks had become unacceptably elevated and the program could not be sufficiently restructured to warrant additional investment. The determination to terminate future funding was based on various program-level complexities and underperformances as compared to the original investment case, certain revisions and inherent program inflexibility relating to the Verra Registry's methodology quantification, as well as a weakened financial outlook of the program, partly driven by CarbonNOW's offtaker for the program's first 500,000 carbon offsets, Catona Carbon Solutions, LLC, filing for Chapter 11 bankruptcy protection on March 30, 2025.

Following termination of the program, Green Star has no further funding obligations nor investment interest in CarbonNOW. Termination of Green Star's CarbonNOW program resulted in an attributable equity loss of \$25.3 million to Star Royalties for the 2024 period, however, Star Royalties' attributable portion of capital committed to the program since inception was \$4.9 million.

NativState Improved Forest Management Carbon Offset Portfolio

In the second quarter of 2024, Green Star acquired several gross revenue royalties from NativState on a carbon offset-issuing portfolio of Improved Forest Management ("IFM") projects in the southeastern United States. NativState is an Arkansas-based forest carbon project developer focused on aggregating small-to-medium forest landowners into IFM projects being developed under the American Carbon Registry ("ACR"). These royalties are expected to deliver voluntary carbon offsets to Green Star over a 20-year period, with the first approximately 120,000 carbon offsets received from the NativState investment in 2024.

During the fourth quarter of 2024, Green Star continued to engage with multiple brokers and intermediaries within the voluntary carbon markets, including major banks and commodity traders, to monetize already-issued avoidance and removal offsets from Project ACR 783. To date, a large portion of the removal offsets in Green Star's inventory have been sold, along with a small portion of the avoidance offsets. Efforts to monetize the remainder of avoidance offsets are ongoing, with Green Star's carbon offsets currently participating in several active bids via intermediaries. Green Star is also exploring other monetization strategies, such as long-term offtakes with corporate partners, as well as participating in direct sales through NativState.

In addition to Project ACR 783, Green Star's investment financed the conservation of approximately 60,000 acres of forestland to be enrolled by NativState and registered as ACR projects. The first two of these additional projects are Project ACR 912 and Project ACR 913, which are currently being prepared for validation and verification under ACR's methodology Improved Forest Management (IFM) on Non-Federal U.S. Forestlands version 2.1. This latest version of the methodology is more rigorous, resulting in a more precise and conservative carbon crediting baseline, reduced risk of over-crediting by the project, and increased confidence in the integrity of the carbon offsets. Additional information on Projects ACR 783, ACR 912 and ACR 913 can be found on the Company's website at NativState - Star Royalties.

MOBISMART

Green Star's 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, has generated royalty income for Green Star since the beginning of 2023. MOBISMART continues to advance its commercialization initiatives focused on the U.S. telecommunications, renewable energy and defense sector and, in 2025, anticipates strong revenue growth to stem from its wind, telecommunications and construction sectors.

Elizabeth Metis Settlement Forest

Green Star owns a 40.5% gross revenue royalty on the sale of carbon credits from forested lands located in Elizabeth Metis Settlement (the "EMS Forest Project") in Alberta. Forest carbon baseline inventory measurement activities at EMS Forest Project are expected to be completed by Anew Climate LLC ("Anew") and local Indigenous representatives towards the end of 2025. The Government of Alberta is currently in the process of developing the Alberta Technology Innovation and Emissions Reduction Regulation ("TIER") Improved Forest Management Protocol. Public consultations on the draft protocol are expected to take place during the second half of 2025, with the final protocol expected by the end of 2025. Similarly, ACR is also undertaking a review of its Improved Forest Management (IFM) on Canadian Forestlands methodology, with an expectation to release the updated protocol by the end of 2025. EMS Forest Project can be developed either under TIER or ACR, with Anew to determine the most economically viable pathway to be pursued once the forest carbon inventory measurement is completed. First issuance of carbon credits from EMS Forest Project is forecasted by Anew for later in 2027.

Lac Seul First Nation Forest Carbon Project

Green Star owns a 16% gross revenue royalty on [Big Tree Carbon Inc.](#)'s (TSXV: BIGT) carbon credit revenue share from the Lac Seul First Nation Forest Carbon Project ("LSFN Forest Project"). Due to the lack of visibility into Canada's Greenhouse Gas Offset Credit System and the lack of near-term milestones at LSFN Forest Project, Green Star does not see a viable path forward toward carbon credit generation from this investment at this time. Green Star will provide future updates on LSFN Forest Project if an actionable development plan becomes available.

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About Star Royalties Ltd.

Star Royalties Ltd. is a precious metals and carbon credit royalty and streaming company. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders. The Company offers investors exposure to precious metals and carbon credit prices, as well as cleantech and other decarbonization projects through its pure-green joint venture, Green Star Royalties Ltd.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking statements", including those regarding the Royalties transaction, future market conditions for metals, minerals and carbon offset credits, future capital raising opportunities and commitments, timing with respect to the carbon offset issuances under the NativState projects, demand and growth of the MOBISMART products, timing of the updated ACR protocols with respect to IFM projects. and the future business growth and cash flow 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, 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, the carbon credits to be provided by NativState, risks related to the IFM projects, changes in legislation and policies including affects related to the ACR, 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, economic and geopolitical uncertainty related to tariffs 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 Energy Inc. and Agnico Eagle Mines Ltd. in the operation and management of Green Star and competition, the ability to raise any additional funds 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.

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