

Star Royalties Reports Q2 2022 Financial Results, Record Quarterly Revenues and \$18.6M Gain on Deconsolidation of Green Star Royalties

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TORONTO, August 24, 2022 - [Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV:STRR, OTCQX:STRFF) is pleased to report its financial results for the quarter ended June 30, 2022. All amounts are in U.S. dollars unless otherwise indicated.

Q2 2022 Corporate and Financial Highlights

- Record quarterly revenue, with a 26% increase over the prior-year quarter.
- Strategic investment by [Agnico Eagle Mines Ltd.](#) ("Agnico Eagle") (NYSE, TSX:AEM) into Green Star Royalties ("Green Star") was completed in May 2022, with Star Royalties now a 61.9% owner of Green Star.
- The Elk Gold mine became the Company's second producing royalty asset.
- Recognized an \$18.6 million gain on the deconsolidation of Green Star.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "During the second quarter of 2022, Star Royalties took significant steps towards unlocking the value of both our green and precious metals royalty and streaming platforms. We crystallized the growing value of Green Star through the closing of a private placement by Agnico Eagle and expanded Green Star's flagship regenerative agriculture carbon royalty more than fourfold. We also achieved record quarterly royalty revenues as the Elk Gold mine became our second producing royalty asset and as Keysbrook continued to generate royalty cash flows greater than our internal expectations. We look forward to the remainder of 2022 as we continue to unlock further Green Star value by building out its pipeline and by enhancing our team with carbon project development expertise."

Summary of Q2 2022 Financial Results

	Quarter ended	Quarter ended
	June 30, 2022	June 30, 2021
Revenue	\$ 264,203	\$ 208,948
Net income/(loss)	17,816,144	(805,293)
Basic and diluted income/(loss) per share	0.24	(0.01)
Cash flow from operating activities	(286,703)	(305,114)
Cash flow from investing activities	(135,354)	-
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 June 30, 2022, available on SEDAR at [sedar.com](#) or on the Company's website at [starroyalties.com](#).

Corporate Developments

Green Star Joint Venture (61.9% interest)

Following the closing of the previously announced non-brokered private placement in May 2022 by Agnico Eagle, Green Star is being accounted for by Star Royalties as a joint venture held 61.9% by Star Royalties, 35% by Agnico Eagle and 3.1% by the Company's management team and members of the Board of Directors. Star Royalties continues to use existing management to oversee the day-to-day activities of Green Star.

In accordance with IFRS 11 Joint Arrangement, the Company has derecognized related assets and liabilities of Green Star from its consolidated financial statements as of the closing date of the private placement transaction in May 2022 and recorded an initial recognition of an investment in the joint venture. This recognition has resulted in a gain of \$18.6 million during the current quarter for the Company.

Significant Portfolio Updates

Elk Gold Mine

On June 14, 2022, [Gold Mountain Mining Corp.](#) ("Gold Mountain") (TSX:GMTN, OTCQB:GMTNF, FRA:5XFA) reported that for the quarter ending April 30, 2022, it delivered 1,898 ounces of gold and 1,697 ounces of silver to its ore purchase partner, New Gold Inc. (TSX, NYSE American:NGD). Gold Mountain also reported that it experienced challenges during commissioning with respect to both grade control and sampling processes, which resulted in lower than forecast ore production during the initial ramp-up. To mitigate these challenges, Gold Mountain has implemented a number of initiatives, including hiring industry experts with experience mining narrow-vein deposits, implementing a more detailed in-fill drill program, and examining preconcentration technologies. Gold Mountain's operating team continues to optimize Elk Gold's processes while scaling to the contemplated Year 1 production profile.

As of June 6, 2022, Gold Mountain had completed 15,500m of drilling in the Siwash North and Gold Creek zones as part of its Phase III exploration program. An updated resource estimate on the property is anticipated at the end of Q3 2022.

Copperstone Gold Project

On June 1, 2022, [Sabre Gold Mines Corp.](#) ("Sabre Gold") (TSX:SGLD, OTCQB:SGLDF) announced that the Copperstone Gold Project remains on track to advance to production within twelve months from funding with a strategy that remains focused on minimizing dilution to its existing stakeholders. Sabre Gold reported that their recent addition of Mike Maslowki, COO and Sid Tolbert, Vice President General Manager brings considerable underground experience that is expected to further optimize project economics.

Green Star Developments

Regenerative Agriculture Carbon Program

In April 2022, Green Star announced a fourfold expansion of its flagship regenerative agriculture CarbonNOW® program with Anew Climate, LLC ("Anew", formerly Blue Source, LLC). This program, in partnership with Locus Agricultural Solutions ("Locus AG") aims to create premium, verified carbon offset credits that will reward the adoption of regenerative agriculture practices by North American farmers. Under the amended agreement, Green Star's total contribution of \$20.6 million will finance a growing number of farmers entering CarbonNOW until a total of 1,320,000 acres of farmland across the United States have been recruited into the program. Green Star expects to generate cash flow equivalent to over 200,000 attributable carbon offset credits in 2024, increasing to over 400,000 attributable carbon offset credits per annum starting in 2025.

Initial funding has commenced, with approximately \$1.2 million distributed to U.S. farmers to date, and the Company is pleased to report that the expected agriculture carbon credits from the distributed funds have

already received purchase commitments from carbon buyers.

The adoption of farmers into the program continues to proceed in line with internal expectations, with over 40 farmers in over 25 states with an aggregate of several hundred thousand acres having received initial payment of funds. The remainder of Green Star's contribution is expected to take place over the second half of 2022 and through 2023.

Green Star Focus and Outlook

The Company believes that Green Star remains uniquely positioned to become a quality leader in creating premium carbon offset credits from North American nature-based carbon projects. Management continues to focus its efforts on growing Green Star's pipeline of projects by leveraging its existing First Nations, Indigenous, and farming community partners, as well as its partnership with Anew.

In addition, Management is in the process of adding internal carbon project development and nature-based solutions expertise to further reinforce its focus on project and carbon credit quality. These industry leaders are expected to join the recently established Technical Committee that will review new investment opportunities and will have equal representation from Star Royalties and Agnico Eagle. Star Royalties continues to use its existing management and infrastructure to grow Green Star at minimal cost as a private majority-owned joint venture and, subject to market conditions, unlock additional value when an appropriate public market valuation is achieved.

CONTACT INFORMATION

For more information, please visit our website at 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 created the world's first carbon negative gold royalty platform through its majority-owned, pure-green joint venture, Green Star Royalties, and offers investors exposure to precious metals and carbon credit prices with an increasingly negative carbon footprint. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders.

QUALIFIED PERSON

Timothy Strong, MIMMM, is a qualified person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical disclosure contained in this press release.

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 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 conditions, ongoing market disruptions caused by the Ukraine and Russian conflict, metal and mineral commodity price volatility, discrepancies between actual and estimated production, 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, 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, the market ability of Green Star to undertake a go-public transaction in the future, the nature of the governance rights between Star Royalties and Agnico Eagle 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.

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