

Star Royalties Ltd. Provides Updates on Green Star Royalties and Corporate Strategy

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[Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV: STRR, OTCQX: STRFF) today provided an update on Green Star Royalties Ltd.'s ("Green Star") royalty portfolio and its corporate strategy. Neither TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Carbon Markets Update

Over the past several quarters, North American voluntary and compliance carbon markets have experienced considerable headwinds, resulting in broader 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 announcement by a key carbon credit offtaker experiencing solvency issues, as well as the postponement of certain key industry conferences.

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 these assets' 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 has decided to terminate future capital commitments to the CarbonNOW® carbon farming program.

The decision to terminate Green Star's involvement in the CarbonNOW program was unanimously supported by the Company's joint-venture partners, with a resolve to allocate Green Star's remaining capital to high-quality, derisked, cash-flowing royalties on decarbonization projects. Star Royalties and its joint-venture partners reaffirm the intent and goal of growing 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 jurisdictions.

Additional details on each project are available in the Green Star Portfolio Updates section below.

Green Star Portfolio Updates

Regenerative Agriculture Carbon Farming Program

Following multiple months of thorough analysis and thoughtful 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 that 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, including a slower acre enrollment schedule, previously unknown program deductions and other challenges in program management, increased risks in farmer program adherence, farmer attrition, carbon reversals and a reduced outlook on future carbon sequestration potential.
- Certain revisions and inherent inflexibility relating to the Verra Registry's methodology quantification, including higher non-offset-generating control acre requirements and soil sampling procedural challenges.
- 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, having recently filed for Chapter 11 bankruptcy protection on March 30.

Following termination of the program, Green Star has no further funding obligations nor investment interest in CarbonNOW.

NativState Improved Forest Management Portfolio

Green Star acquired several gross revenue royalties from NativState LLC ("NativState") on a carbon offset-issuing portfolio of Improved Forest Management ("IFM") projects in the southeastern United States during the second quarter of 2024, and it remains actively engaged 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.

NativState is an Arkansas-based forest carbon project developer focused on aggregating small-to-medium forest landowners into IFM projects. 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 American Carbon Registry ("ACR") projects. The first two of these additional projects are Project ACR 912 and Project ACR 913. Both 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 and results in a more precise and conservative carbon crediting baseline, requiring projects to reassess and update baselines as necessary prior to each credit issuance. This improved approach also reduces the risk of over-crediting by the project and increases confidence in the integrity of the carbon offsets. In addition to all projects cumulating to the 60,000 acres, ACR will be providing guidance to NativState for transitioning Project ACR 783 to version 2.1 of the methodology for all future issuances.

Project ACR 912 - Mixed Broadleaf Forests of the Ozark Highlands

Project ACR 912 represents approximately 9,100 acres of sustainably managed forestland across the Arkansas Ozark Highlands. Green Star owns a 7% gross revenue royalty on this project, which is expected to have its first carbon offset issuance at the end of 2025.

Project ACR 912 uses a programmatic development approach to IFM, allowing landowners with smaller tracts of land to combine under one project. Through sustainable forest management, the project will provide significant climate benefits through carbon sequestration from native forests in an ecoregion that is currently only 4% protected.

Project ACR 913 - Bottomland Forests of the Mississippi Delta and Piedmont

Project ACR 913 represents approximately 7,800 acres of sustainably managed forestland across Eastern and Southcentral Arkansas. Green Star owns a 3% gross revenue royalty on this project, which is expected to have its first carbon offset issuance at the end of 2025.

Like Project ACR 912, Project ACR 913 enables smaller landowners to join forces with others committed to maintaining forest CO₂e stocks through sustainable management, which contributes to climate conservation efforts through carbon sequestration of native forests. This project focuses on the deciduous forested wetlands of the Mississippi Delta and Piedmont, where forests in this area serve a critical role in reducing the risk and severity of flooding to downstream communities.

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ACR 912: Mixed Broadleaf Forests of the Ozark Highlands ACR 913: Bottomland Forests of the Mississippi Delta and Piedmont

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 generation systems with integrated battery storage. Its product offering includes mobile solar power trailers and containers with leading-edge power electronics and remote monitoring. As a result, MOBISMART's products address a wide range of off-grid power generation requirements while displacing diesel usage.

MOBISMART has been delivering quarterly royalty payments to Green Star since the beginning of 2023 as it continues to advance its commercialization initiatives focused on the U.S. telecommunications, renewable energy and defense sectors. In 2025, MOBISMART anticipates strong growth across the wind, telecommunications and construction sectors to continue to result in higher demand for its products.

Elizabeth Metis Settlement Forest Carbon Project

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.

Star Royalties Corporate Strategy

Star Royalties was established as a precious metals royalty company with a target portfolio weight of 80% on precious metals and 20% on green (carbon credits, cleantech) or energy transition metals (lithium, copper and nickel).

Green Star (currently 46% owned by Star Royalties) was established in late 2021 to provide shareholders

with exposure to the rapidly growing carbon markets and ESG thematic given the strong investor and shareholder support at the time. Since then, a significant portion of Star Royalties' management effort was focused on establishing the Green Star joint venture through several significant corporate transactions involving senior natural resources companies, all with the aim of growing its green royalty portfolio. Today, Green Star remains sufficiently capitalized and its uncommitted capital is available to be deployed towards cash-flowing opportunities with certainty of revenue to establish a meaningfully free cash flowing, diversified and de-risked portfolio.

Green Star continues to represent an important source of future value creation for Star Royalties. Management remains encouraged about future prospects for this business and 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 and it looks forward to innovating new structures to support the objectives of Green Star's strategic shareholders.

While carbon markets are currently experiencing downward pressure in investment sentiment, the 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\$3,300/oz.

The Copperstone Gold Project ("Copperstone") is expected to generate meaningful cash flows with its anticipated return to production in mid-2026. The Company notes Minera Alamos Inc.'s (TSXV: MAI, OTCQX: MAIFF) strong development track record, and Copperstone's low capital intensity, permitting status, and strong project economics at current gold prices. Near-term catalysts for Copperstone include the announcement of a project lending package, rehabilitation and installation of larger mill equipment, and receipt of all documentation for production startup.

Separately, the Company looks forward to additional disclosure from [Gold Mountain Mining Corp.](#) ("Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) on the go-forward development and operating plan for its Elk Gold Mine ("Elk") (where the Company owns a 2% NSR royalty), including funding plans and on its recent exploration program where preliminary results support additional activities. Gold Mountain recently noted that it looks forward to Elk resuming normal operations.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "While we remain fully committed and longer-term bullish on Green Star and its investments, there is no doubt that the carbon markets are navigating through a turbulent and uncertain environment. We are disappointed at having to terminate funding for the CarbonNOW program, but this was ultimately the correct decision and was made with the sole goal of minimizing risk while preserving capital and shareholder value. Green Star's decarbonization investment mandate, which includes cleantech opportunities, continues to be supported by its joint venture partners.

At the same time, we continue to be highly encouraged by the strengthening gold price environment and recent developments and upcoming milestones across our mining royalty portfolio. Over the next several quarters we expect a number of de-risking events, including construction updates at Copperstone, a return to normal operations at Elk, and continued solid performance from Keysbrook. We look forward to providing our shareholders with project updates over the course of 2025 as we progress towards generating meaningful free cash flow for Star Royalties next year. We maintain the strong view that our portfolio is worth much more than our market capitalization and we expect that all of our key mining royalty assets will be generating revenue in 2026. Achieving this should act as a differentiator for us in the space and it remains our top priority to close the valuation gap."

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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 MOBISMAART 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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