

Star Royalties Ltd. Reports Q1 2025 Financial Results

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[Star Royalties Ltd.](#) ("Star Royalties", or the "Company") (TSXV: STRR, OTCQX: STRFF) today reported its financial results for the quarter ended March 31, 2025. All amounts are in U.S. dollars, unless otherwise indicated.

Q1 2025 Financial and Corporate Highlights

- Quarterly revenues of \$160,539 represented a decrease from the prior-year period due to less materials being sold at the Keysbrook Mine (Keysbrook"). Keysbrook's performance this quarter was in line with its operator-provided budget.
- 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. In addition, the Company's corporate liquidity was improved by the conversion of a C\$2 million receivable into additional Minera Alamos equity as part of the transaction.
- Outlook for the Company's mining royalty portfolio has improved considerably since the prior-year period primarily due to Copperstone's de-risking and the increase in the gold price to well above \$3,000/oz.
- At 45.9%-owned Green Star Royalties Ltd. (Green Star"), 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

	Quarter ended	Quarter ended
	March 31, 2025	March 31, 2024
Revenue	\$ 160,539	\$ 275,395
Net (loss) income	(331,859)	320,430
Basic (loss) earnings per share	(0.00)	0.00
Diluted (loss) earnings per share	(0.00)	0.00
Cash flow from operating activities	(359,450)	(797,888)
Cash flow from investing activities	-	-
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 March 31, 2025, available on SEDAR+ at [sedarplus.ca](#) or on the Company's website at [starroyalties.com](#).

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "We remain focused on Copperstone's pathway to production in 2026 and look forward to its upcoming milestones later this year, which include

financing package completion and refurbishment activities at site. Copperstone's de-risking progress and the current gold price environment of over \$3,000/oz have not been reflected in our share price, and we believe this valuation gap will close as this key investment advances towards meaningful revenue generation."

"During the first quarter, operations at Keysbrook were in line with the operator's budget and our expectations, and we are encouraged with the operator's ongoing activities to extend Keysbrook's LOM. At Elk, Gold Mountain's management is undertaking an internal review of Elk's technical report which should result in a more accurate understanding of the resource model and a more reliable mining plan. At our Green Star joint venture, the team is actively evaluating several decarbonization opportunities with the support of our joint-venture partners. We look forward to providing our shareholders with tangible updates across our portfolio over the course of 2025 as we progress towards meaningful cash flow generation in 2026."

Significant Portfolio Updates

Mining Royalty Portfolio Updates

Keysbrook Mine

Star Royalties owns a 2% minerals royalty on Keysbrook, an open pit mineral sands (leucoxene, zircon) mine located 70 km south of Perth, WA, Australia, and in operation since 2015. First quarter 2025 royalty income from Keysbrook was \$152,834, a decrease from \$265,015 in the prior-year period due to less materials being sold than produced in the most recent quarter. Operating results were in line with the operator's production budget and the Company's expectations. Furthermore, the Company understands that Keysbrook's operator is actively undergoing routine landowner access approval processes to extend Keysbrook's Life-of-Mine ("LOM"). These LOM extensions are currently being reviewed by various Australian federal, state and shire authorities. The Company estimates these efforts would result in Keysbrook having a LOM extension to 2029, with a potential further LOM extension into the 2030's subject to additional landowner access approvals.

Copperstone Gold Mine

On February 6, 2025, Minera Alamos announced the closing of its previously announced acquisition of [Sabre Gold Mines Corp.](#) ("Sabre Gold"), the prior owner of Copperstone. Following the closing of the transaction, the Company's holding of 13,842,4136 shares of Sabre Gold were converted into 9,592,792 shares of Minera Alamos, while its 4% gold stream on Copperstone remained unchanged. At the end of the reporting period, the value of the Minera Alamos equity held by the Company was C\$3.3 million.

On March 12, 2025, Minera Alamos re-issued Copperstone's Preliminary Economic Assessment ("PEA"), which estimated Copperstone would generate \$298 million in after-tax net cash flow, have an after-tax NPV5% of \$227 million, and generate an after-tax IRR of 171% assuming a gold price of \$3,000/oz. Minera Alamos has identified several opportunities to enhance value at Copperstone that will be further evaluated during the development phase, including:

- additional drilling with the goal of expanding mineral resources;
- investigating if previous marginal grade material can be added to production stopes given improved gold prices;
- evaluating opportunities to increase plant throughput from potential increases in mining rates and from potential resource expansion;
- as well as evaluating options for leveraging used equipment to reduce initial capital expenditures and lead time.

Minera Alamos has also identified several exploration opportunities to further enhance value at Copperstone, including:

- drill testing for the presence of the Footwall Zone at depth and underneath the D Zone;
- continued drilling to define and expand the Southwest Zone located 760m southwest of the Copperstone pit;
- following up on the historic drill hole CS-266 that intercepted 3.4 g/t gold over 3.0m approximately 200m southwest of the Copperstone pit;
- as well as following up on historic drill hole 06CS-20 that intercepted 20.5 g/t gold over 1.5m approximately 900m southwest of the Copperstone pit.

The Company is relying on Minera Alamos' disclosure from its March 12, 2025 press release for the accuracy of Copperstone-related information and on Mr. Darren Koningen, P. Eng., Minera Alamos' CEO, as the Qualified Person responsible for the technical content related to Copperstone under National Instrument 43-101.

Subsequent to the current reporting period, on May 1, 2025, Minera Alamos announced that it was reviewing several indicative term sheets connected to Copperstone's project financing with due diligence already underway. Minera Alamos anticipates finalizing a complete project finance package for Copperstone early in the second half of 2025. It also announced the appointment of Kevin Small, P.Eng., as EVP Operations as part of its plan to rapidly advance engineering for Copperstone's restart. Mr. Small is a mining engineer with 35 years in the industry who has extensive experience with the development and operation of underground mining projects, and has already been actively involved in the engineering work underway for Copperstone. The project engineering work includes the optimization of the underground mine restart plans along with an adjustment to the existing Plan of Operations for the site which is anticipated to be approved towards the end of 2025. Minera Alamos reported that final preparations are being completed to transfer its existing used process plant equipment to Copperstone so that refurbishment activities can be initiated in advance of their installation at site. Minera Alamos continues to anticipate Copperstone production to commence in 2026.

Elk Gold Mine

First quarter 2025 royalty income from the Elk Gold Mine ("Elk") was \$7,705 compared to \$10,380 in the 2024 comparable period. On March 17, 2025, [Gold Mountain Mining Corp.](#) ("Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) provided an operational update for the quarter ended January 31, 2025. During this period, Gold Mountain continued to focus on waste stripping, but did report mining 10,055 tonnes of ore from the Siwash North Pit with an average delivered ore grade of 1.23 g/t gold.

On May 12, 2025, Gold Mountain provided a further operational update on Elk, explaining that low production results for the preceding several quarters were attributable to substantially reduced operational activities during this period. Gold Mountain commenced an internal review of its Technical Report for Elk, which includes a complete relogging of all core data. Gold Mountain anticipates that relogging will be completed in late 2025, with production operations to be reduced substantially until a new mine plan, National Instrument 43-101 compliant mineral resource estimate, and technical report are issued. Additionally, Gold Mountain plans to incorporate upcoming exploration drilling results from the Bullion Zone, an area located immediately north of the Siwash North Pit, into its resource estimate, where preliminary observations support additional drilling.

In light of this announcement, the Company does not anticipate generating meaningful royalty income from Elk for the remainder of 2025 and will update its expectations of royalty payments upon release of the aforementioned disclosure from Gold Mountain later in 2025.

Non-Core Assets

The Company holds a 1.5% gross revenue royalty in respect of the Baavhai Uul property located in Mongolia and operated by Lithium ION Energy Ltd (TSXV:ION, FSE:ZA4). The Company also holds a 2% net smelter return royalty in respect of the Bayan Undur copper project located in Mongolia and operated by Aranjin Resources Ltd (TSXV:ARJN). The operators of the Baavhai Uul and Bayan Undur projects announced on April 30, 2025, that exploration efforts for both projects would be discontinued and both projects were deemed fully impaired by the respective operators. Consequently, the Company recognized an impairment

loss on the Baavhai Uul royalty of \$130,650 and an impairment loss on the Bayan Undur royalty of \$139,384 in the current reporting period.

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.

Green Star Strategy

On April 28, 2025, the Company provided an update on its Green Star strategy, which can be found on the Company's website at News Release (Apr 28, 2025) - Star Royalties. As previously reported, considerable headwinds in North American voluntary and compliance carbon markets negatively impacted carbon markets over the past several quarters, resulting in reduced carbon pricing and demand. During first quarter of 2025, nature-based solutions carbon offsets experienced a 10% price decrease overall, while total carbon offset issuances declined by 20% year-over-year to 61.2 million, the lowest first-quarter volume since 2020, primarily due to a significant (33.5%) decrease in forestry issuances.

Following a reassessment of the risk/return profile of several of Green Star's assets, Green Star decided to terminate future capital commitments to the CarbonNOW® carbon farming program, as described in detail in the Company's April 28 press release. Green Star's mandate to grow into a long-term decarbonization investment firm continues to be supported by the Company's joint-venture partners and Green Star's remaining capital of \$7.2 million will be allocated to high-quality, de-risked, cash-flowing royalties on decarbonization projects with a strict focus on robust cleantech and premium carbon credit opportunities in top-tier jurisdictions. A key priority is to ensure that Green Star remains fully funded and self-sufficient over the longer term.

Regenerative Agriculture Carbon Farming Program

Green Star's regenerative agriculture investment in the CarbonNOW® farming program was a partnership with Locus Agricultural Solutions® that incentivized the adoption of regenerative agriculture practices by North American farmers on up to 1.32 million acres of farmland. As reported in the Company's April 28 press release, Green Star and its project partners reached an agreement to terminate future capital commitments to the CarbonNOW program due to a deteriorating return profile and a conclusion that the program could not be sufficiently restructured to warrant additional investment. Following termination of the program, Green Star has no further funding obligations nor investment interest in CarbonNOW.

NativState Improved Forest Management Carbon Offset Portfolio

Green Star owns several gross revenue royalties on a carbon offset-issuing portfolio of Improved Forest Management ("IFM") projects in the southeastern United States, developed by NativState LLC ("NativState"). NativState is an Arkansas-based forest carbon project developer that aggregates small-to-medium forest landowners into IFM projects 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 first quarter of 2025, Green Star engaged with multiple voluntary carbon market intermediaries to monetize already-issued avoidance and removal offsets from Project ACR 783. Subsequent to the reporting period, all removal offsets in Green Star's inventory had been sold, along with a small portion of the avoidance offsets. Green Star is continuing efforts to monetize the remainder of avoidance offsets through active bids via intermediaries and is exploring other monetization strategies, such as long-term offtakes with corporate partners, as well as participating in direct sales through NativState. The Company looks forward to providing an update on these efforts in the coming months.

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. As previously reported, 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. Additional information on Projects ACR 783, ACR 912 and ACR 913 can be found on the Company's website at NativState - Star Royalties.

Outlook and Corporate Expenditures

Since founding Star Royalties, a principal goal of management has been to ensure maximum alignment between the Company's management and its shareholders. Given the Company's strict objective of ensuring adequate working capital until the Company begins to generate free cash flow, management has initiated several cost-saving initiatives, including eliminating all remaining non-essential expenses, deferring senior management salaries, and reducing the size of its Board of Directors. With these additional cash conservation measures, the Company is projected to have the lowest G&A and management compensation among its gold royalty peers.

The Company's equity ownership of Minera Alamos represents an additional source of liquidity and management believes this equity ownership to not only be a meaningful asset but an undervalued one as well based on Minera Alamos' track record of developing mines into production, and its diversified portfolio of producing and development assets in Mexico and Arizona, all supported by a robust gold price environment of well over \$3,000/oz. Management expects that the ongoing cost-saving initiatives, alongside its investment holding of 9.6 million Minera Alamos shares, should ensure the Company is well positioned until it begins to receive gold stream revenues from Copperstone production in 2026.

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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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