

NEWS RELEASE



Star Royalties and Bluesource Announce Regenerative Agriculture Carbon Program

All amounts are in U.S. dollars unless otherwise indicated.

DECEMBER 13, 2021, TORONTO, ON - Star Royalties Ltd. (the “**Company**” or “**Star Royalties**”) (TSXV: STRR, OTCQX: STRFF), through its wholly-owned, pure-green subsidiary, Green Star Royalties (“**Green Star Royalties**”), is pleased to announce a first-of-its-kind agreement with Blue Source, LLC (“**Bluesource**”) to create premium, verified carbon offset credits that will reward the adoption of regenerative agriculture practices by North American farmers.

This agreement marks the start of a pilot program that will enable a Bluesource and Locus Agricultural Solutions (“Locus AG”) partnership to incentivize regenerative agriculture practices on 320,000 acres of farmland, maximizing soil health and the soil’s carbon sequestration capacity. Green Star Royalties and Bluesource expect this pilot phase to result in over 500,000 carbon offset credits per annum commencing in 2023, to be available for sale in the voluntary carbon marketplace. This program has been financed by Green Star Royalties, with Bluesource executing the carbon offset development and sales.

Program Highlights

- **Originating carbon offset credits:** Green Star Royalties anticipates generating annual revenues equivalent to approximately 100,000 carbon offset credits from this project.
- **Premium credits in a low-risk jurisdiction:** Providing carbon finance to growers across the Midwestern United States to create premium regenerative agriculture carbon offset credits for the voluntary carbon markets.
- **Significant scalability:** Initial pilot project to target 320,000 acres, with further potential of over one billion acres of additional prospective farmland in the United States and in Canada.
- **Preferred partner status:** Green Star Royalties is a preferred partner of Bluesource for the financing of multiple future regenerative agriculture projects.
- **Innovative aligned benefit structure:** Pioneered by Green Star Royalties and Bluesource, this novel approach, in partnership with grower-facing organizations such as Locus AG, enables farms to participate in the carbon credit market, ensuring aligned benefits to all program participants.
- **Sustainable farming:** This initiative aims to finance and accelerate the transition of North American farmers to sustainable farming practices that will improve soil health and accelerate atmospheric CO₂ removal and sequestration into soils.

- **Highly reputable partner:** Bluesource is North America’s leading carbon offset developer and marketer, with a proven track record spanning over 20 years in developing and monetizing nature-based carbon offset projects.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: "We are thrilled to have established a long-term partnership with such a high-quality carbon offset developer. Bluesource has developed and sold carbon credits representing more than 150 million tonnes of carbon dioxide equivalent (“CO_{2e}”) emissions removed from or avoided being released into the atmosphere, and they have a further goal of reducing 500 million tonnes by 2025. Our teams are jointly passionate about financing a greener future. We view the application of Star’s royalty investment model as an innovative solution to financing the transition of U.S. farmers to regenerative agriculture, and in turn, to originating premium carbon offset credits. We are again first movers in a novel and highly scalable business model, and look forward to significantly larger project development across the North American farming industry.”

Jamie MacKinnon, Executive Vice President of Bluesource, stated: “The potential for climate action in the agricultural sector is significant and critical to enact if we are to achieve necessary global emission reductions. The power and capacity for change resides with small and large-scale farms alike, but the level of complexity, cost, and mechanisms required to get involved have all presented formidable barriers until now. We are proud to team up with Green Star Royalties in this endeavour, as we leverage our carbon market experience to provide revenue to farmers directly. This is working capital, working today to address the climate crisis before us. “

Regenerative Agriculture

Regenerative agriculture is a wholesome conservation and rehabilitation approach to food and farming systems. The purpose of regenerative agriculture is to promote topsoil health regeneration and to rebuild soil organic matter while improving water management, reducing or eliminating nitrogen-based fertilizers, increasing biodiversity, as well as implementing low tillage and cover crop practices. In addition to benefiting farmers and enhancing their crop yields, regenerative agriculture reverses climate change by sequestering significant additional amounts of atmospheric CO₂ into soils than would have occurred by utilizing current farming practices. By accurately quantifying the amount of sequestered carbon into these farmlands, Bluesource is able to develop premium and verified carbon offset credits that are then sold to a variety of companies looking to voluntarily offset their CO₂ emissions.

Transaction Terms

Green Star Royalties has agreed to finance a regenerative agriculture carbon offset program being developed and managed by Bluesource for an initial capital contribution of up to \$5 million in cash. Cash will be made available to growers in this initial program through Locus AGs CarbonNOW program as described below. Locus AG will also be

actively recruiting growers under this pilot project until a total of 320,000 acres of farmland across the Midwestern United States have been adopted into the program.

Green Star Royalties expects initial funding of the investment to commence in Q1 2022, with further quarterly tranches drawn by Bluesource, as required, until the entire \$5 million is invested.

This pilot project investment has a term of 11.5 years and the future financial benefits derived from the monetization of the pilot project's carbon offset credits will be split between the growers, Bluesource, and Green Star Royalties. The program expects to generate revenues from over 500,000 carbon offset credits per annum under a voluntary regime starting in 2023.

Bluesource

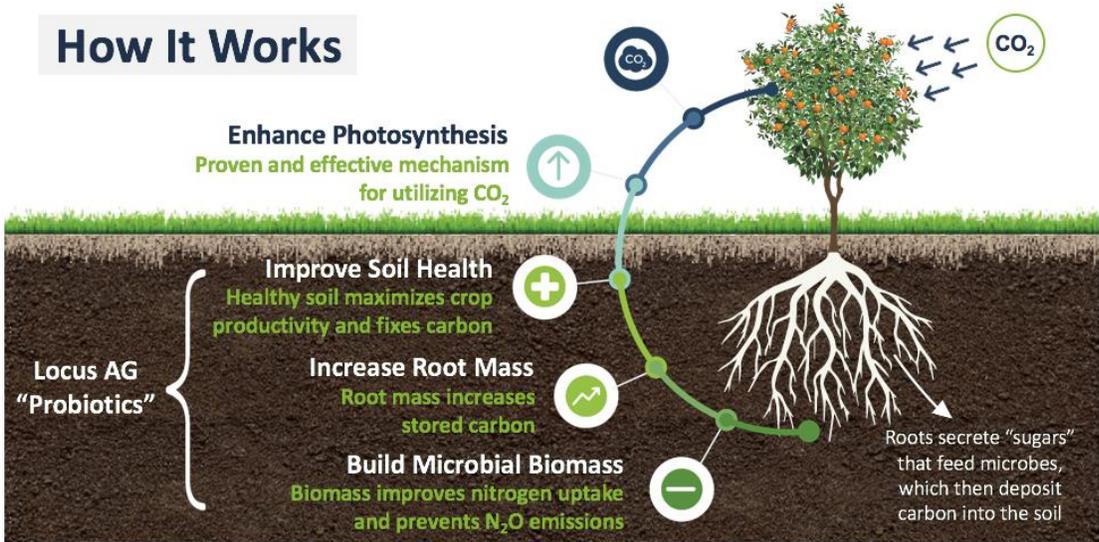
Bluesource is a climate action partner for private and public companies, non-profit organizations and governments. Bluesource has pioneered creative solutions to the climate crisis since 2001, with deep expertise across environmental technologies and markets. With more than 200 active projects in the United States and Canada, Bluesource is a leader in voluntary, compliance and pre-compliance carbon, renewable energy attribute, renewable natural gas and energy efficiency markets. For six consecutive years, Bluesource has been voted Best Project Developer (North America) and Best Offset Originator (California) by peers and partners in Environmental Finance's Annual Market Rankings.

Locus AG

Locus AG is an agtech Certified B Corporation and World Business Council for Sustainable Development innovator that is helping to solve the interrelated challenges of climate change and food security. Its innovative, award-winning microbial soil "probiotic" technology and CarbonNOW program give farmers a new way to boost crop yields and profit and accelerate carbon sequestration while reducing operating costs and environmental impact. The company's success has received global recognition, including being named a Top 100 North America Winner by Red Herring, one of the Top New 50 Startups to Watch by Cleantech Group and winner of NREL's Industry Growth Forum Outstanding Venture Award. Locus AG gets its core scientific capabilities from its parent company, Locus Fermentation Solutions, an Ohio-based, globally recognized green technology company. For more information, visit LocusAG.com.

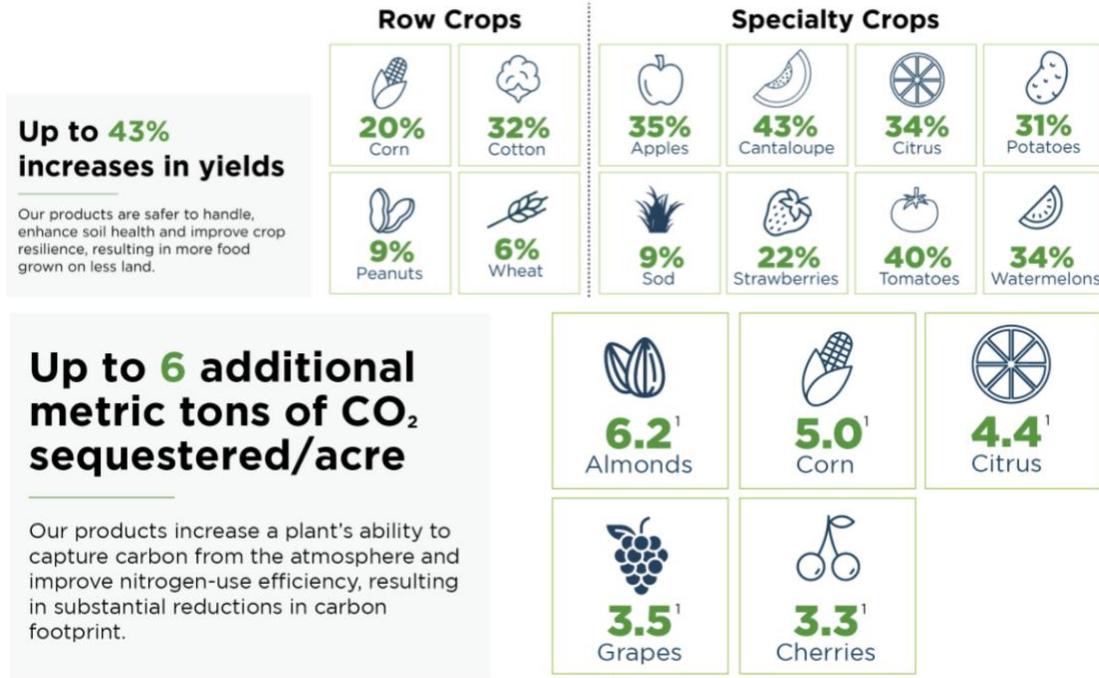
Locus Ag: Award-Winning Microbial Soil “Probiotic” Technology

How It Works



Source: locusag.com/impact/

Locus Ag: Crop Yield Benefits and Carbon Sequestration Rates



¹Metric tons of CO₂ equivalents/acre annually | Initial top trials compared to growers practices

Source: locusag.com/impact/

Carbon Offset Credits

The Paris Agreement was adopted by 196 nations and entered into force in 2016 with the purpose of reducing global greenhouse gas (“GHG”) emissions. Specifically, the Paris Agreement reaffirms the goal to limit global temperature increase to below 2°C above pre-industrial levels, with a secondary aggressive target of limiting that increase to 1.5°C. In order to achieve these levels, many governments have meaningfully increased their commitment in recent years to reducing GHG emissions, with over 100 countries and thousands of corporations having since committed to significantly reducing GHG emissions by 2030 and being carbon-neutral by 2050.

Carbon offsets are generated from any activity that either prevents or reduces carbon emissions (such as renewable energies or methane capture technology) or improves carbon sequestration (such as regenerative agriculture or reforestation and conservation of forested lands). Carbon offset credits are effectively a measurable net benefit from an activity versus the status quo. Their units are measured in tonnes of CO_{2e}, meaning one carbon offset credit is equal to one tonne of CO_{2e} emission reduction, avoidance or removal.

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ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a precious metals and green royalty and streaming investment company. The Company created the world’s first carbon negative gold royalty platform and offers investors gold exposure with an increasingly negative carbon footprint. The Company’s objective is to provide wealth creation through accretive transaction structuring and asset life extension 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 the strategies and business plans of the Company. 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 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, the ability of the parties to successfully implement the pilot project, the ability to attract farmers into the pilot project, the ability to achieve carbon credits from the pilot project, changes in business plans and strategies, market conditions, share price, best use of available cash, the ability of the Company to identify and execute future acquisitions on acceptable terms or at all, risks inherent to royalty and streaming companies, title and permitting matters, metal and mineral commodity price volatility, discrepancies between actual and estimated production of carbon credits, and development risks relating to the parties which

produce the carbon credits from the pilot project, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global social and economic climate, natural disasters and global pandemics, including COVID-19, dilution, 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.