



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022**

Introduction

This Management's Discussion and Analysis ("MD&A") of Star Royalties Ltd. is the responsibility of management and covers the three and nine months ended September 30, 2022 and 2021. The MD&A takes into account information available up to, and is dated, November 22, 2022 and should be read together with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021.

Throughout this document the terms "we", "us", "our", the "Company" and "Star Royalties" refer to Star Royalties Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and is presented in United States ("US") Dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "*Note Regarding Forward-Looking Statements*" of this MD&A.

Description of Business

Star Royalties is a royalty and streaming investment company, specializing in precious metals and carbon credits. The Company conducts its green royalty investments via a joint venture company, Green Star Royalties Ltd. ("Green Star"). The Company innovated the world's first carbon credit royalties in forestry and regenerative agriculture via Green Star 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.

Star Royalties specializes in bespoke and operator-friendly financing solutions, including originating, repurchasing and restructuring of royalties and streams in precious metals and in North American nature-based carbon offset projects. The Company's philosophy is to structure mutually beneficial agreements that optimize the counterparties' capital structure, while generating a return well above the Company's cost of capital for its shareholders. Star Royalties looks to become the trusted financing partner for companies throughout the various stages of project development, and the commodity and capital markets cycles.

Green Star was established in October 2021 to accelerate the growth of its pure-green portfolio following positive investor feedback on the Company's innovative Canadian forestry carbon credit investments. Green Star is focused on originating new carbon credit projects in nature-based solutions (regenerative agriculture and improved forest management), renewable energies (solar, wind), as well as certain other cleantech investments. In May 2022, the Company completed a strategic investment by Agnico Eagle Mines Limited ("Agnico Eagle") into Green Star. As a result, Green Star is now a joint venture 61.9% owned by Star Royalties, 35% owned by Agnico Eagle, and 3.1% owned by Star Royalties' management team and Board of Directors. The Company continues to anticipate that Agnico Eagle's strategic involvement will lead to an acceleration in Green Star's growth trajectory and will allow Green Star to originate, fund and participate in additional, larger green opportunities. Green Star will continue to be managed by the Company's management team, with participation from Agnico Eagle on its board and technical advisory teams. Green Star's objective is to become the partner of choice in originating carbon offset credit royalties, grow its critical mass, and ultimately attract capital from both generalist and ESG-focused investors in a future go-public event.

Star Royalties' precious metals portfolio allocation strategy targets a 70% weighting in cash generating royalties and streams, 20% weighting towards near-term development opportunities (with development-to-cash-flow timeline horizons of less than two years), and 10% to geologically prospective, advanced exploration targets (non-cash generating). This targeted 70/20/10 approach is intended to improve cash flow visibility and to direct capital allocation towards lower-risk, development and production-stage investments. The Company believes that abiding by these portfolio constructs in the precious metals segment and Green Star's focus on North American, nature-based carbon offset projects will result in a robust, cash generating, portfolio of assets with a carbon negative footprint that will provide attractive risk-adjusted returns to its shareholders. The Company's precious metals royalty and stream interests are located in the USA, Canada,

Australia and Mongolia. Green Star's portfolio of nature-based investments is located in the USA and Canada. Please refer to "Asset Portfolio" of this MD&A for project details.

Asset Portfolio

The Company currently holds the following royalty and stream assets directly or through a 61.9% ownership in Green Star:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Star Royalties Ltd.					
Elk Gold Project	2% Net Smelter Return ("NSR") Royalty	Gold, Silver	British Columbia, Canada	Production	Gold Mountain Mining Corp.
Copperstone Project	Gold stream	Gold	Arizona, USA	Near-Production ¹	Sabre Gold Mines Corp.
Keysbrook Project	2% Gross Revenue ("GR") Royalty	Mineral Sands (Titanium, Zircon)	Western Australia, Australia	Production	Keysbrook Leucoxene Pty Ltd. ("Keysbrook")
Bayan Undur Project	2% NSR Royalty	Copper, Silver	Bayankhongor, Mongolia	Advanced Exploration	Aranjin Resources Ltd.
Baavhai Uul Project	1.5% GR Royalty	Lithium (brine), Copper, Nickel	Sukhbaatar, Mongolia	Early Exploration	Ion Energy Ltd.
Green Star Royalties Ltd. (Joint Venture – 61.9% interest)					
Regenerative Agriculture Carbon Offset Project	Net Revenue Sharing Royalty	Verra Verified Carbon Standard voluntary carbon offset credit	USA	Development ²	Anew Climate, LLC (formerly Blue Source, LLC)
Elizabeth Metis Settlement Forest Carbon Offset Project	40.5% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Alberta, Canada	Development	Elizabeth Metis Settlement, Bluesource Canada ULC
Lac Seul First Nation Forest Carbon Offset Project	16% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Ontario, Canada	Development	Lac Seul First Nation, Big Tree Carbon Inc. Bluesource Canada ULC
MOBISMART	2.5% GR Royalty	Mobile solar power generation systems with integrated battery storage	Ontario, Canada	Operating	MOBISMART Mobile Off-Grid Power & Storage Inc.

¹ Copperstone's operational restart is expected to occur in late 2023. The Copperstone gold stream would step down from 9.9% of gold produced to 6.6% of gold produced were the Company not to proceed with the final \$6 million tranche payment.

² Regenerative agricultural practices are ongoing with carbon credit accumulation to occur in the second half of 2023

Significant Portfolio Updates

Green Star (Joint Venture – 61.9% interest)

On November 7, 2022, the Company announced the appointments of Rina Cerrato as Chief Commercial Officer and Tanushree Bagh Mukherjee as Chief Development Officer by Green Star. These appointments represent a significant strengthening of Green Star's carbon market and project development expertise and are expected to facilitate growth of Green Star's robust investment pipeline of premium, North American, nature-based environmental solutions. Mrs. Mukherjee and Mrs. Cerrato jointly bring to Green Star strong industry relationships from nearly 40 years of experience in the carbon sector, which includes senior roles at leading carbon project registries such as Verra, international carbon organizations including South Pole, as well as advisory roles at the International Emissions Trading Association and Environment and Climate Change Canada. They have also joined Green Star's Technical Committee, where together with our joint venture partner, they will provide informed recommendations on future portfolio investments.

Green Star continues to review new opportunities and remains focused on raising brand awareness as it aims to become a quality leader in the carbon credit royalty space. Through its participation in multiple brokered and industry conferences, Green Star has identified both new prospective capital providers and investment

opportunities that mirror its mandate of quality, scalability, longevity and integrity. Star Royalties continues to use its existing management and infrastructure to grow Green Star at minimal cost as a private majority-owned joint venture. Given the growing pipeline of investment opportunities, the Company is actively evaluating capital opportunities through a combination of private and public markets, subject to market conditions.

Copperstone Gold Project

On October 24, 2022, Sabre Gold announced several financial restructuring initiatives and a change in senior leadership to advance its fully-permitted Copperstone Gold Mine toward production. These initiatives included the retirement of an existing 4.5% Gross Production Royalty on Copperstone, the retirement of \$3.65 million in long-term debt outstanding, the extension of remaining outstanding debt by one year to December 31, 2024, all being driven from sale proceeds of Sabre Gold's 1% NSR royalty on the Kerr-Addison Mine claims owned by Gold Candle Ltd. for total consideration of \$7.4 million. These initiatives are aimed at unlocking value at Copperstone by improving Sabre Gold's balance sheet and reducing asset encumbrances for improved operating margins. These initial steps were undertaken to advance ongoing discussions with potential financial partners to return the fully-permitted Copperstone Gold Mine to production.

Sabre Gold announced the appointment of Andrew Elinesky, CPA, as President, Chief Executive Officer and Director. Mr. Elinesky succeeded Giulio Bonifacio, who retired from his role as President, Chief Executive Officer and Director on October 23, 2022.

Elk Gold Project

Gold Mountain Mining Corp. ("Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) reported Q2 2022 revenue of CAD\$968,860, which was negatively impacted by its interim focus on finalizing its in-fill drill program, improving ore control processes and optimizing its pit design.

On September 14, 2022, Gold Mountain provided a corporate update on the initiatives undertaken to address the start-up challenges experienced to date at the Elk Gold Mine. Gold Mountain completed a 3,700 m in-fill drill program to tighten the in-pit spatial data. The program is expected to define the grade control model for the next 6-12 months. Results to date have shown gold assays that align with the drillhole assays used to build the resource block model. In addition, Gold Mountain's Operations team has improved ore control practices through drill and blast designs, extraction strategies and optimizing pit design. The goal has been to minimize ore loss and improve ore fragmentation while limiting displacement. A total of 87 in-fill holes were completed to better define the mine plan's tonnes and grade profile over the next 12 months.

Gold Mountain had also begun examining pre-concentration technologies such as Dense Media Separation which uses a heavy liquid bath to float low-density waste rock particles away from high-density gold-bearing particles. Gold Mountain indicated that initial test results had been encouraging and showed the potential to increase gold grades, reduce trucking costs, and mitigate external dilution.

Gold Mountain's 15,500 m-Phase III exploration program at the Elk Gold Mine intersected significant high-grade intervals that will be incorporated in an updated resource estimate, anticipated in the next six months. Drilling of the 1300 vein extended its mineralization down-dip another 150 m, reaching a depth of over 400 m below surface.

Corporate Strategy

The Company is focused on leveraging its many decades of capital allocation expertise to originate bespoke royalties and streams in the precious metals and carbon credit segments. Its objective is to reduce the risk-adjusted cost of capital of its counterparties, while allowing Star Royalties to achieve above-threshold returns. Management constantly reviews new opportunities to grow Star Royalties' portfolio sustainably and responsibly with a strict emphasis on:

1. Value and quality over quantity
2. Risk management with focus on top-tier jurisdictions
3. Free cash flow per share accretion (Free cash flow per share is a non-IFRS measure. Please refer to "*Non-IFRS Financial Measures*" of this MD&A)
4. Additional industry-standard investment metrics as outlined on the Company's website at www.starroyalties.com/company/portfolio-construction

Precious Metals Portfolio Strategy

When acquiring royalties and streams, the Company considers technical and economic merit, jurisdiction risk, exploration and expansion upside, as well as operator quality. The Company endeavours to partner with capable operators in top-tier jurisdictions in order to maximize its risk-adjusted returns, with a corporate strategy of pursuing value and quality over quantity.

Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's royalty and stream programs. The overall market conditions for smaller resource companies are another significant risk factor. The Company is not aware of any seasonality encountered by precious metals-focused royalty and streaming companies that may have a material effect upon its financial condition.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity and commodity markets provide favourable conditions for completing financings, public mergers, or acquisition transactions.

Green Star Portfolio Strategy

Following the non-brokered private placement in May 2022, the Company's management team continues to manage Star Royalties' precious metals portfolio of royalties and streams, as well as Green Star's portfolio of North American carbon credit royalties, and other cleantech investments.

Green Star's strategy is to provide shareholders with exposure to rising carbon credit pricing and to generate superior returns through the origination of green royalties and streams. Management's focus will be on funding new carbon offset projects across nature-based solutions (regenerative agriculture and improved forest management), renewable energies (solar, wind), as well as other cleantech investments.

Green Star intends to leverage its growing internal carbon markets and project evaluation expertise, its strong working partnership with Anew Climate, LLC (formerly Blue Source, LLC), North America's leading carbon offset developer and marketer, as well as its existing relationships with numerous Canadian Indigenous communities, First Nations, and various other corporations to source and originate new nature-based projects that will enable positive environmental benefits and generate carbon offset credits. Green Star's investment philosophy is focused on growing its pipeline of near-cash flowing green opportunities in both voluntary and compliance carbon markets with a strong priority on North American investments.

Review of Financial Performance

Three months ended September 30, 2022 and 2021

Revenue

Revenue for the third quarter of 2022 totaled \$234,854, an increase of 4% compared to \$225,458 for the comparative period in 2021. Royalty income for the third quarter of 2022 was comprised of \$231,792 from Keysbrook (third quarter 2021 - \$225,458) and \$3,062 from Elk Gold (third quarter 2021 - \$Nil).

Depletion

Depletion expense for the third quarter of 2022 totaled \$144,970, a decrease of \$59,031 compared to \$204,001 for the comparative period in 2021. Depletion expense for the third quarter of 2022 was comprised of \$141,697 on Keysbrook (second quarter 2021 - \$204,001) and \$3,273 on Elk Gold (third quarter 2021 - \$Nil). Lower depletion expense on Keysbrook for the third quarter of 2022 was due to less materials sold in comparison to the same period in 2021.

Operating expenses

Operating expenses for the third quarter of 2022 totaled \$643,814 compared to \$692,488 for the comparative period in 2021. The following table provides a breakdown of total operating expenses incurred for the three months ended September 30, 2022 and 2021:

	Three months ended September 30, 2022	Three months ended September 30, 2021
Marketing and shareholder communications	\$ 37,610	\$ 43,936
Management and board compensation	313,999	225,247
Office and miscellaneous	65,262	76,382
Professional fees	12,980	152,713
Share-based compensation	213,963	194,210
Total expenses	\$ 643,814	\$692,488

Management and board compensation increase was driven by an increase in headcount and general increase in compensation. Professional fees were higher for the third quarter of 2021 mainly due to legal fees incurred on due diligence and corporate structuring.

Other income

The following table provides a breakdown of the other income for the three months ended September 30, 2022 and 2021:

	Three months ended September 30, 2022	Three months ended September 30, 2021
Interest income	\$ 10,397	\$ 14,115
Foreign exchange income	143,891	199,678
Management fees from Green Star joint venture	116,588	-
Equity income from Green Star joint venture	6,558	-
Other income	\$ 277,434	\$ 213,793

Nine months ended September 30, 2022 and 2021*Revenue*

Revenue for the nine months ended September 30, 2022 totaled \$714,418, an increase of 23% compared to \$580,478 for the comparative period in 2021. The increase in revenue was due to a 12% increase in Keysbrook royalty income and the commencement of royalty income from Elk Gold in the second quarter of 2022.

Depletion

Depletion expense for the nine months ended September 30, 2022 totaled \$507,714 compared to \$572,235 for the comparative period in 2021. Depletion expense for the nine months ended September 30, 2022 was comprised of \$462,247 on Keysbrook (nine months ended September 30, 2021 - \$572,235) and \$45,467 on Elk Gold (nine months ended September 30, 2021 - \$Nil). Lower depletion expense on Keysbrook in 2022 was due to less materials sold in comparison to 2021.

Operating expenses

Operating expenses for the nine months ended September 30, 2022 totaled \$2,308,614 compared to \$2,369,014 for the comparative period in 2021.

The following table provides a breakdown of total operating expenses incurred for the nine months ended September 30, 2022 and 2021:

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Marketing and shareholder communications	\$ 215,639	\$ 121,989
Management and board compensation	1,077,214	670,963
Office and miscellaneous	197,879	196,890
Professional fees	172,762	548,931
Share-based compensation	<u>645,120</u>	<u>830,241</u>
Total expenses	<u>\$ 2,308,614</u>	<u>\$2,369,014</u>

Management and board compensation increase was primarily due to an increase in headcount, general increase in compensation and a departure benefit paid in the second quarter of 2022. Marketing and shareholder communications increase was due to an increase in marketing and investor relation activities in 2022. Professional fees were higher in 2021 due mainly to the legal costs relating to the Company's go public transaction that was completed in February 2021 and the structuring costs on Green Star that were mostly incurred in the third quarter of 2021.

Other income

The following table provides a breakdown of the other income for the nine months ended September 30, 2022 and 2021:

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Interest income	\$ 15,060	\$ 44,562
Foreign exchange income	187,685	78,806
Management fees from Green Star joint venture	155,909	-
Equity income from Green Star joint venture	821	-
Gain on deconsolidation of subsidiary	<u>18,575,690</u>	<u>-</u>
Other income	<u>\$ 18,935,165</u>	<u>\$ 123,368</u>

The gain on deconsolidation of subsidiary resulted from the derecognition of net assets of former subsidiary company Green Star and to the recording of an initial recognition of an investment in joint venture in accordance with IFRS 11 *Joint Arrangement* and IAS 28 *Investment in associates and joint ventures*.

Summarized Quarterly Financial Information

The following table presents a summary of the Company's quarterly results of operations for each of its last eight quarters.

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Revenue	\$ 234,854	\$ 264,203	\$ 215,361	\$ 111,143
Net (loss)/income	(276,496)	17,816,144	(706,393)	(431,879)
Basic and diluted (loss)/income per share	(0.00)	0.24	(0.01)	(0.01)
Cash flow from operating activities	58,180	(286,703)	(564,625)	(206,278)
Cash flow from investing activities	(44,019)	(135,354)	(722,078)	-
Cash flow from financing activities	-	-	-	-
Total assets	45,150,107	48,022,739	31,083,633	31,216,617
	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	\$ 225,458	\$ 208,948	\$ 146,072	\$ 9,801
Net loss	(457,238)	(805,293)	(974,872)	(471,550)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.01)
Cash flow from operating activities	(92,758)	(305,114)	(500,758)	(373,193)
Cash flow from investing activities	(10,312,780)	-	(6,008,911)	(9,623,480)
Cash flow from financing activities	-	-	19,527,719	(277,577)
Total assets	31,610,006	31,803,108	31,704,229	12,722,912

The decrease in total assets in Q3 2022 in comparison to Q2 2022 was due mainly to currency translation adjustment on a weakening Canadian dollar. The increase in assets in Q2 2022 was a result of recognizing the investment in the Green Star joint venture. The increase in assets in Q1 2021 was a result of net proceeds from the completion of the Company's initial public offering (the "IPO") and the partial exercise of the over-allotment option by the syndicate of underwriters. The increase in revenue in 2021 and 2022 was due to Keysbrook becoming a producing asset for the Company in 2021, and Elk becoming a producing asset in 2022. Royalty payments from Keysbrook commenced in Q4 2020. The increase/decrease in net loss from quarter to quarter is dependent on quarterly revenue in comparison to the quarterly operating expenses.

Balance Sheet Review

	September 30, 2022	December 31, 2021
Assets	\$ 45,150,107	\$ 31,216,617
Liabilities	417,086	435,723
Shareholders' equity	44,733,021	30,780,894

Assets

Total assets were \$45,150,107 at September 30, 2022 compared to \$31,216,617 at December 31, 2021. The Company's asset base is comprised primarily of royalty and stream interests, investment in joint venture and cash and cash equivalents. The increase in assets resulted primarily from the recognition of the Company's

61.9% ownership in the Green Star joint venture based on the valuation from the non-brokered private placement of Green Star common shares completed in May 2022.

Liabilities

Total liabilities at September 30, 2022 comprise \$417,086 of accounts payable and accrued liabilities. The decrease in liabilities reflects mainly the timing of payments.

Shareholders' equity

Shareholders' equity increased by \$13,952,127 at September 30, 2022 compared to December 31, 2021, reflecting total comprehensive income of \$13,307,007 and \$645,120 share-based compensation expenses recorded to contributed surplus.

Liquidity and Capital Resources

As at September 30, 2022, the Company had a working capital¹ balance of \$2,385,515. This balance included cash and cash equivalents of \$2,455,628 (December 31, 2021 - \$4,160,206), receivables of \$307,617 (December 31, 2021 - \$283,472) and prepaids of \$39,356 (December 31, 2021 - \$61,366) to settle current liabilities of \$417,086 (December 31, 2021 - \$435,723). The Company received royalty payments of \$234,854 in November 2022 in respect of the Keysbrook and Elk Gold royalties for the three months ended September 30, 2022.

Although the Company has not generated substantial income and has accumulated a deficit, we believe that the cash balance at September 30, 2022, the royalty income from Keysbrook and Elk Gold, and the management fees from the Green Star joint venture will be sufficient to fund operations and commitments as required.

To maintain liquidity in the future, the Company continues to investigate additional royalty and stream interests and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares and warrants. While the Company has been successful in obtaining the necessary financing for its operations and its contractual commitments in the past, there is no assurance that such financing will be available in the future or be available on terms acceptable to the Company.

¹ Working capital is a non-IFRS measure and defined as current assets less current liabilities.

Operating Activities

Net cash used for operating activities for the nine months ended September 30, 2022 was \$793,148 compared to \$898,630 in the same period of 2021. The decrease in net cash used for operating activities was due mainly to timing of payments.

Investing Activities

Net cash used in investing activities of \$901,451 for the nine months ended September 30, 2022 was primarily related to the investment in the joint venture company Green Star. The net cash used in investing activities of \$16,348,387 for the same period in 2021 was primarily comprised of a payment of \$10,000,000 to Almadex Minerals Ltd. for the acquisition of the 2% NSR on Elk Gold and a payment of \$6,000,000 to Sabre Gold in February 2021 pursuant to Streaming Agreement.

Financing Activities

There was no financing activity in the nine months ended September 30, 2022. Net cash received from financing activities was \$19,526,719 in the nine months ended September 30, 2021, comprised primarily of the net proceeds from the IPO in February 2021 and the over-allotment exercised by the syndicate of underwriters in March 2021.

The Company intends to use its available funds to meet its planned growth and development activities and, as of the date of this MD&A, there have not been, and the Company does not anticipate, any changes to its previously made disclosures about the Company's intended use of proceeds.

Capital Resources

The Company will continue to seek capital. In the past, the Company has raised capital through the issuance of common shares pursuant to private placements. The Company manages its capital structure to maximize its financial flexibility, making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Related Party Transactions

Related party transactions, including compensation to key management personnel, are presented in Note 7 of the condensed interim consolidated financial statements for the three and nine months ended September 30, 2022. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers, including the Company's Executive Chairman, Chief Executive Officer, Chief Investment Officer, and Chief Financial Officer.

Non-IFRS Financial Measures

The Company used certain non-IFRS performance measures, such as free cash flow per share and working capital, throughout this MD&A.

Free cash flow per share is defined as cash flow from operating activities less capital expenditures divided by total number of common shares outstanding. Working capital is defined as current assets less current liabilities.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Outstanding Share Data

As of the date of this MD&A, there were 73,252,045 common shares of the Company issued and outstanding, 39,421,700 publicly traded warrants outstanding with an average exercise price of CAD\$1.00, 829,652 share purchase warrants outstanding with an average exercise price of CAD\$0.70, 3,690,000 stock options outstanding with an exercise price range of CAD\$0.60 to CAD\$0.70, and 1,953,098 RSUs outstanding.

Off-Balance Sheet Arrangements

As at September 30, 2022, the Company had no off-balance sheet arrangements.

Critical Accounting Judgements and Estimates

The critical accounting estimates, judgments, and assumptions applied in the preparation of the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2021. In addition, the Company applied the following critical judgment in relation to investment in joint arrangement:

Investment in joint arrangement:

Judgement is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgement is also required to classify a joint arrangement as either a joint venture or a joint operation. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires critical judgement, and a different conclusion on joint control, or whether the arrangement is a joint venture or a joint operation, may have a material impact on the accounting treatment.

Change in Accounting Policies

There were no significant changes in accounting policies for the three months ended September 30, 2022 other than the following accounting policy added:

Investment in joint venture

The Company has assessed the nature of its joint arrangements and determined them to be a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Company accounts for its investment in joint venture using the equity method. Under the equity method, the Company's initial investment is subsequently increased or decreased to recognize the Company's share of net income and losses of the joint venture, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the joint venture's reserves, and for impairment losses after the initial recognition date. The Company's share of income and losses of the joint venture is recognized in net income during the period.

Financial Instruments

The Company does not currently utilize complex financial instruments in hedging commodity price and foreign exchange exposures. Information relating to the Company's financial instruments is disclosed in Note 13 of the audited annual consolidated financial statements for the year ended December 31, 2021.

Note Regarding Scientific and Technical Information

Except where otherwise stated, the disclosure in this MD&A relating to properties and operations on the properties in respect of which Star Royalties holds royalty or stream interests is based in respect of the Copperstone Gold Project and the Elk Gold Project, on the following technical reports listed below and on additional publicly disclosed information relating to these assets after the date of the technical reports.

- "NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Gold Project, La Paz County, Arizona, USA" with an effective date of April 1, 2018 and report date of May 18, 2018, which technical report was prepared in accordance with NI 43-101 for Kerr Mines Inc. (currently Sabre Gold Mines Corp.) and filed under Sabre Gold's SEDAR profile on May 22, 2018.

- “NI 43-101 Technical Report, Updated Mineral Resource Estimate for the Copperstone Gold Project, La Paz County, Arizona, USA” with an effective date of September 3, 2021 and report date of September 21, 2021, which technical report was prepared in accordance with NI 43-101 for Sabre Gold Mines Corp., and filed under Sabre Gold’s SEDAR profile on October 19, 2021.
- “NI 43-101 Technical Report, Updated Preliminary Economic Assessment on the Elk Gold Project” with an effective date of May 14, 2021 and report date of June 21, 2021, which technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp. and filed under Gold Mountain’s SEDAR profile on June 22, 2021.
- “NI 43-101 Technical Report and Resource Update of the Elk Gold Project, Merritt, British Columbia, Canada” with an effective date of December 7, 2021 and report date of January 21, 2022, which technical report was prepared in accordance with NI 43-101 for Gold Mountain Mining Corp. and filed under Gold Mountain’s SEDAR profile on January 21, 2022.

The technical and scientific information contained in this MD&A has been reviewed and approved in accordance with NI 43-101 by Timothy Strong, MIMMM, a “qualified person” as defined in NI 43-101 and independent of the Company.

Note Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements may include statements regarding: perceived merit of royalty and stream interests; statements relating to the economic viability of a royalty and stream interests; operational, strategic and supply chain timelines; strategic plans; future carbon negative positions; future financial position; targeted cash flow positions; access to capital; the ability to raise additional capital and complete future financings; completion of the Streaming Agreement; completion of private placements; completion of the transfer of carbon offset credit royalties; completion of additional drilling and sampling programs at the Baavhai Uul Project and any other royalty and stream interest; market prices for metals; or other statements that are not statements of fact. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. The forward-looking information included in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. These assumptions include, but are not limited to, the following:

- our estimates of near, medium and long-term commodity prices;
- for the properties in respect of which Star Royalties or Green Star holds a royalty or streaming interest, the operation continues as a going concern;
- planned growth and development activities;
- the accuracy of public statements and disclosures made by the owners or operators of such underlying properties, including with respect to Mineral Resources, Mineral Reserves, construction timelines, production estimates and other related matters, as applicable;
- that each counterparty will satisfy its obligations in accordance with the royalty or stream contract to which it is a party with Star Royalties or Green Star, and that each such contract will be enforceable in accordance with its terms;
- no adverse development relating to any property in respect of which Star Royalties or Green Star holds a royalty or stream;

- that projects not yet in production or in development included in Star Royalties' or Green Star's asset portfolio will be developed, transitioned into production or development and successfully achieve production and commercial ramp-up, in each case, in accordance with Star Royalties' expectations;
- that the completion of the Copperstone transaction will be completed in accordance with its terms, as amended;
- the impact of COVID-19 on the Company's business, including the need to provide enhanced safety measures for our employees and customers; comply with rapidly changing regulatory guidance; address the risk of, attempted fraudulent activity and cybersecurity threat behaviour; and protect the integrity and functionality of our systems, networks, and data as a larger number of our employees work remotely;
- the absence of an outbreak or escalation of infectious diseases or other similar health threats, including COVID-19, that could result in the suspension, shutdown or delay of the operations in the properties in which Star Royalties or Green Star holds an interest;
- the impact of the conflict between Russia and Ukraine, any escalation thereto and its impacts on the global economy or on the Company's business;
- no material changes will occur with respect to Star Royalties' or Green Star's existing tax treatment; and
- the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- limited operating history and uncertainty of future revenues;
- changes in commodity prices will affect the revenues generated from our portfolio and the profitability of Star Royalties;
- Star Royalties has no or limited control over the operation of the properties in respect of which Star Royalties holds a royalty or a stream interest and the operators' failure to perform or decision to cease or suspend operations will affect the revenues of Star Royalties;
- risks related to health epidemics and pandemics including COVID-19 and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect the Company's business, financial condition and results of operations;
- risks related to the COVID-19 impacts on employee health, workforce productivity in the mines where the Star Royalties has stream and royalty interests, increased insurance premiums, limitations on travel, supply chain interruption, the availability of industry experts and personnel and other factors that will depend on future developments beyond the Star Royalties' control;
- risks related to the effective operation of any entity under the joint venture arrangement;
- increased competition for royalties, streams and other interests could adversely affect Star Royalties' ability to acquire additional royalties, streams and other interests in mineral properties;
- some of the properties in respect of which Star Royalties holds an interest may never achieve commercial production, and Star Royalties may lose its entire investment;
- sales of assets in respect of which Star Royalties holds an interest may result in a new operator and any failure of such operator to perform could affect the revenues of Star Royalties;
- Star Royalties may acquire royalties, streams or other interests in respect of properties that are speculative and there can be no guarantee that mineable deposits will be discovered, developed or mined;
- Star Royalties has limited access to data and disclosure regarding the operation of properties in respect of which it holds interests, which will affect its ability to assess and predict the performance of its royalties or streams;
- Star Royalties depends on its operators for the calculation of certain payments, and it may not be possible to detect errors in payment calculations;
- Star Royalties is dependent on the payment or delivery by the owners and operators of the properties in respect of which Star Royalties has a royalty or stream, and any delay in or failure of such payments will affect the revenues generated by the asset portfolio;
- global financial conditions may destabilize;

- royalties or streaming interests may not be honoured by operators of a project;
- not all of Star Royalties' royalties or streams are secured, Star Royalties' security interests, if any, may be subordinated, and security interests may be difficult to enforce;
- Star Royalties' profitability, results of operations and financial condition are subject to variations in foreign exchange rates;
- operators of mines may not be able to replace depleted Mineral Reserves and Mineral Resources, which would reduce Star Royalties' revenue from royalties or streams;
- Star Royalties can provide no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be on terms acceptable to the Company;
- Star Royalties may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business;
- certain of Star Royalties' directors serve in similar positions with other public companies, which could put them in a conflict position from time to time;
- changes in the interpretation of tax legislation or accounting rules could affect the profitability of Star Royalties;
- changes in governmental and environmental regulation that results in increased costs;
- Star Royalties has a history of losses and it may be unable to achieve profitability;
- Star Royalties is indirectly exposed to many of the same risk factors as the owners and operators of properties in respect of which it holds a royalty or stream interest;
- production at mines and projects in respect of which Star Royalties holds royalty or stream interests is dependent on operators' employees;
- production forecasts may not prove to be accurate;
- the exploration and development of Mineral Resource properties is inherently dangerous and subject to risks beyond the control of Star Royalties;
- defects in title to properties underlying Star Royalties' royalty or stream interests may result in a loss of entitlement by the operator and a loss of Star Royalties' interest;
- future litigation affecting the properties in respect of which Star Royalties holds its royalty or stream interests could have an adverse effect on Star Royalties;
- the operations in respect of which Star Royalties holds a royalty or stream require various property rights, permits and licenses to be held by the operator in order to conduct current and future operations, and delays or a failure to obtain or maintain such property rights, permits and licenses, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations or exploration on the properties;
- Star Royalties is exposed to risks related to the construction, development, expansion, and/or exploration in relation to the mines, projects and properties in respect of which it holds a royalty or stream interest;
- additional costs may be incurred by mineral property operators as a result of international climate change initiatives and may affect the availability of resources and cause business disruptions, which could reduce Star Royalties' revenues;
- certain operators are subject to risks relating to foreign jurisdictions which could negatively impact Star Royalties;
- Star Royalties is subject to risks related to certain operations in developing economies; and
- the forward-looking statements contained in this MD&A or incorporated by reference may prove to be incorrect.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date of this MD&A, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

More information about the Company including its recent financial reports and Annual Information Form for the year ended December 31, 2021 is available under the Company's profile on SEDAR at www.sedar.com.

Disclosures of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that: (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors and Additional Information

Please refer to the Company's most recent Annual Information Form filed on SEDAR at www.sedar.com for further discussion of risk factors and other information.