

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 – Name and Address of Company:

Star Royalties Ltd.  
18 King Street East, Suite 902  
Toronto, Ontario  
M5C 1C4

#### Item 2 - Date of Material Change:

May 27, 2022

#### Item 3 – News Release:

The news release dated May 30, 2022 was disseminated via TheNewswire, has been filed on SEDAR and is available at [www.sedar.com](http://www.sedar.com).

#### Item 4 – Summary of Material Change:

On May 30, 2022, Star Royalties Ltd. (the “**Company**” or “**Star Royalties**”) announced the closing of the its previously announced strategic private placement (the “**Private Placement**”) of 15,384,620 common shares (“**Green Star Shares**”) of its subsidiary, Green Star Royalties Ltd. (“**Green Star**”), at a price of C\$1.00 per Green Star Share.

#### Item 5 – Full Description of Material Change:

##### 5.1 Full Description of Material Change

On May 30, 2022, Star Royalties announced the closing of its non-brokered Private Placement of 15,384,620 Green Star Shares at a price of C\$1.00 per Green Star Share.

Agnico Eagle Mines Limited (“**Agnico Eagle**”) (NYSE, TSX: AEM) has purchased 14,134,620 Green Star Shares for an aggregate purchase price of C\$14.13 million payable in cash. The Company’s management team and Board of Directors (collectively, “**Management**”) have purchased the remaining 1,250,000 Green Star Shares in the Private Placement for an aggregate purchase price of C\$1.25 million payable in cash.

Participation in the Private Placement by Management, insiders of the Company, constitutes a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Management did not own any Green Star Shares prior to the Private Placement and after completion of the Private Placement, Management collectively owns 3.1% of Green Star. The Private Placement to Management was undertaken to ensure that Management’s interests are aligned with the interests of Agnico Eagle and Star

Royalties, the other shareholders of Green Star. The issuance of Green Star Shares to Management is on the same terms and conditions as negotiated with Agnico Eagle, which is arm's length to Star Royalties and Green Star. The Private Placement to Management is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority shareholder approval requirements of Section 5.6 of MI 61-101 pursuant to Subsection 5.7(1)(b) of MI 61-101. No formal valuation or other prior valuation has been prepared in respect of Green Star. An independent director of Star Royalties reviewed the terms of the Private Placement to Management and concluded that the Private Placement to Management is in the best interests of Green Star and Star Royalties. The Company did not file a material change report 21 days prior to the closing of the Offering as the details of the participation of these Management insiders of the Company had not been confirmed at that time.

Following the closing of the Private Placement, Green Star is now owned 61.9% by Star Royalties, 35% by Agnico Eagle and 3.1% by Management. Management's direct or indirect holding of Green Star Shares are now: Kevin MacLean (0.84%), Anthony Lesiak (0.74%), Alexandre Pernin (0.52%), Dmitry Kushnir (0.25%), Jay Layman (0.25%), Kylie Dickson (0.25%), Jinhee Magie (0.12%), Kenneth Ngo (0.10%), and Belinda Labatte (0.03%).

In connection with the Private Placement, Star Royalties, Agnico Eagle and Management entered into a unanimous shareholders' agreement (the "USA"), pursuant to which each of Star Royalties and Agnico Eagle will have the right to appoint two individuals to the Board of Directors of Green Star for so long as each shareholder continues to exercise control or direction over at least 10% of the issued and outstanding Green Star Shares. Green Star will establish a Technical Committee that will review new investment opportunities and will have equal representation from Star Royalties and Agnico Eagle. The USA also provides that if Star Royalties holds less than 10% of the issued and outstanding shares of Green Star, Agnico Eagle may require Green Star to repurchase all securities of Green Star held by Management for the fair market value of such securities. In addition, the USA contains restrictions on the transfer of Green Star Shares and a limitation on certain corporate actions of Green Star that do not have the consent of Agnico Eagle and Star Royalties and certain other customary provisions. The USA will terminate on the date that one party owns all of the issued and outstanding Green Star Shares or on a "go-public" transaction.

In connection with the Private Placement, Agnico Eagle and Green Star entered into a Co-Investment and Environmental Attribute Purchase Agreement (the "**CIEAP Agreement**"). Pursuant to the CIEAP Agreement, Agnico Eagle was granted the right to co-invest with Green Star in up to 30% of certain future transactions. In addition, the CIEAP Agreement provides each of Agnico Eagle and Star Royalties the right to acquire 95% and 5%, respectively, of any environmental attributes (including carbon credits) that Green Star owns, or has the right to acquire, at fair market value. In addition, Green Star has agreed to certain restrictions on its future capital commitments, including that it shall: (i) use commercially reasonable efforts to ensure that the Green Star's EA Deployed Capital (as defined in the CIEAP Agreement), being the amount of Deployed Capital (as defined in the CIEAP Agreement) committed to projects or

investments that generate a minimum number of environmental attributes, is greater than 75% of its aggregate Deployed Capital; and (ii) not make any investment, agree to any participation or increase the amount of Deployed Capital, if it would result in Green Star's EA Deployed Capital being less than 50% of its aggregate Deployed Capital, without obtaining the prior consent of Agnico Eagle.

The Private Placement is expected to accelerate the Company's ability to pursue larger green opportunities and to establish a substantial pure-green royalty company that should attract capital from both generalist and ESG-focused investors.

Additional information on Star Royalties can be found on Company's profile at [www.sedar.com](http://www.sedar.com).

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

### **Item 7 - Omitted Information:**

Not applicable.

### **Item 8 – Executive Officer:**

For further information, please contact:

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### **Item 9 – Date of Report:**

May 30, 2022

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

*Certain statements in this material change report may constitute "forward-looking statements", including those regarding future market conditions for carbon offset credits. Forward-looking statements are statements that address or discuss activities, events or developments that the Company expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "will", "believes", "intends" "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements are made based upon certain assumptions and other*

*important factors that, if untrue, could cause the actual results, performances or achievements of Star Royalties and Green Star to be materially different from future results, performances or achievements expressed or implied by such statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results, performances or achievements to differ materially from such forward-looking statements, including, without limitation, changes in business plans and strategies, the ability of the parties to complete the Private Placement, market conditions, ongoing market disruptions caused by the Ukraine and Russian conflict, carbon pricing and carbon tax legislation and regulations, risks inherent to the development of the ESG-related investments and the creation, marketability and sale of carbon offset credits by the parties, the potential value of mandatory and voluntary carbon markets and carbon offset credits, including carbon offsets, risks inherent to royalty companies, title and permitting matters, operation and development risks relating to the parties which develop, market and sell the carbon offset credits from which Green Star will receive royalty payments, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global, federal and provincial social and economic climate in particular with respect to addressing and reducing global warming, natural disasters and global pandemics, dilution, the market ability of Green Star to undertake a go-public transaction in the future, the nature of the governance rights between Star Royalties and Agnico Eagle in the operation and management of the Green Star and competition. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.*