



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2023**

## 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, 2023 and 2022. The MD&A takes into account information available up to, and is dated, November 21, 2023 and should be read together with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and is presented in United States ("U.S.") 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. It provides bespoke and operator-friendly financing solutions, including originating and restructuring of royalties and streams in precious metals and in North American nature-based carbon offset projects. 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. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders, while generating a return well above the Company's cost of capital.

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, its own Chief Development and Chief Commercial Officers, and 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 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 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 nature-based investments are 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
<b>Star Royalties Ltd.</b>					
Elk Gold Project	2% Net Smelter Return ("NSR") Royalty	Gold, Silver	British Columbia, Canada	Production	Gold Mountain Mining Corp.
Copperstone Gold Project	4% Gold Stream <sup>1</sup> ("Gold Stream")	Gold	Arizona, USA	Near-Production <sup>2</sup>	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	Lithium ION Energy Ltd.
<b>Green Star Royalties Ltd. (Joint Venture – 61.9% interest)</b>					
Regenerative Agriculture Carbon Offset Project	Net Revenue Sharing Royalty	Verra Verified Carbon Standard ("Verra") voluntary carbon offset credit	USA	Development	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, Anew Climate LLC
Lac Seul First Nation Forest Carbon Offset Project	16% GR Royalty	Federal OBPS Carbon Offset Credit	Ontario, Canada	Development	Lac Seul First Nation, Big Tree Carbon Corp. Anew Climate LLC
MOBISMART	2.5% GR Royalty	Mobile solar power generation systems with integrated battery storage	Ontario, Canada	Operating	MOBISMART Mobile Off-Grid Power & Storage Inc.

<sup>1</sup> 6.6% Gold Stream was reduced to a 4% Gold Stream upon the closing of the restructuring agreement on October 31, 2023.

<sup>2</sup> Copperstone's operational restart is expected to occur in 2025.

## Significant Portfolio Updates

### Copperstone Gold Project

On September 14, 2023, Sabre Gold Mines Corp. ("Sabre Gold") (TSX: SGLD, OTCQB: SGLDF) announced the sale of its Brewery Creek Project and other certain mineral assets in the Yukon to Victoria Gold Inc. for an aggregate consideration of CAD\$13.5 million.

On October 31, 2023, the Company completed the closing of the agreement with Sabre Gold to restructure its existing gold streaming agreement on the Copperstone Gold Mine. Under the third amendment to the gold purchase and sale agreement among the Company, Sabre Gold, American Bonanza Gold Corp., and Bonanza Exploration Inc., the Gold Stream was revised from 6.6% of gold produced with production-based step-downs to a flat 4% of gold produced for the duration of the Copperstone Gold Mine's life-of-mine. In exchange, the Company received CAD\$1,550,000 in cash and 7,407,407 shares in the capital of Sabre Gold on November 1, 2023. The Company will receive an additional CAD\$2,000,000 in combination of cash and shares of marketable securities between September 2024 to September 2025.

### Elk Gold Project

Gold Mountain Mining Corp. ("Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) continued ore mining operations and deliveries to New Gold Inc. (TSX, NYSE American: NGD) during the third quarter. The third quarter royalty payment from the Elk Gold Mine declined to \$26,373 compared to \$52,801

in the previous quarter, primarily due to lower ore shipments by Gold Mountain. For its quarter ended July 31, 2023, Gold Mountain reported total gold sales of 965 ounces gold and generated total revenue of CAD\$2.2 million from the Elk Gold Project. Revenues from the Elk Gold Project were also affected by a lower average gold grade delivered as a result of negative grade reconciliation during the period.

### **Green Star (Joint Venture – 61.9% interest)**

During the third quarter of 2023, Green Star continued to advance its investment pipeline of premium North American, nature-based carbon offset projects. In addition, management was focused on progressing the evaluation of private-market capital raising opportunities that would allow Green Star to make future investments in regenerative agriculture, improved forest management, reforestation, livestock enteric methane reduction, grasslands, biochar, and other category types. Green Star will look to transact on several of these projects upon completion of an eventual capital raise.

#### *Regenerative Agriculture Carbon Offset Project*

Green Star's flagship regenerative agriculture investment in the CarbonNOW® farming program is a partnership with Anew Climate LLC ("Anew") and Locus Agricultural Solutions® ("Locus AG").

The CarbonNOW program was officially listed under Verra's Methodology for Improved Agricultural Land Management, v2.0 ("VM0042") on September 19, 2023 under the "Anew Agri-carbon Aggregation 1" project (ID 4236). The project's 30-day public consultation period was completed in October and the project is now transitioning to its validation phase with the engagement of a third-party validation and verification body. In parallel, Green Star continues to engage with Anew and Locus AG to ensure the project is optimized for maximum carbon offset generation as well as to ensure maximum alignment between all involved parties.

## **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](http://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 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 Green Star's non-brokered private placement in May 2022, the Company's management team continues to manage both Star Royalties' precious metals portfolio of royalties and streams, as well as Green Star's portfolio of North American carbon credit royalties and cleantech investment.

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, 2023 and 2022***Revenue*

Revenue for the third quarter of 2023 totaled \$271,567, a decrease of \$62,625 compared to \$334,192 for the comparative period in 2022. Royalty income for the third quarter of 2023 was comprised of \$245,194 from Keysbrook (third quarter 2022 - \$331,130) and \$26,373 from Elk Gold (third quarter 2022 - \$3,062). The decrease in royalty income was due primarily to less materials sold by the operators of Keysbrook in comparison to the same period in 2022.

*Depletion*

Depletion expense for the third quarter of 2023 totaled \$128,693, a decrease of \$16,277 compared to \$144,970 for the comparative period in 2022. Depletion expense for the third quarter of 2023 was comprised of \$110,638 on Keysbrook (third quarter 2022 - \$141,697) and \$18,055 on Elk Gold (third quarter 2022 - \$3,273). Lower depletion expense for the third quarter of 2023 was due primarily to less materials sold by the operators of Keysbrook in comparison to the same period in 2022.

*Operating expenses*

Operating expenses for the third quarter of 2023 totaled \$719,240 compared to \$643,814 for the comparative period in 2022. The following table provides a breakdown of total operating expenses incurred for the three months ended September 30, 2023 and 2022:

	<b>Three months ended September 30, 2023</b>	Three months ended September 30, 2022
Marketing and shareholder communications	\$ 3,254	\$ 37,610
Management and board compensation	418,736	313,999
Share-based compensation	149,381	213,963
Office and miscellaneous	27,794	65,262
Professional fees	120,075	12,980
<b>Total expenses</b>	<b>\$ 719,240</b>	<b>\$ 643,814</b>

Total operating expenses for the third quarter of 2023 increased as compared to the comparative period in 2022 due mainly to general increases in management and board compensation, and higher legal and audit fees.

*Other income*

The following table provides a breakdown of the other income for the three months ended September 30, 2023 and 2022:

	Three months ended September 30, 2023	Three months ended September 30, 2022
Foreign exchange gain	\$ 45,755	\$ 143,891
Interest income	18,999	10,397
Management fees from Green Star joint venture	55,911	116,588
Equity income from Green Star joint venture	251,851	6,558
Other income	\$ 372,516	\$ 277,434

The equity income from Green Star joint venture for the third quarter of 2023 was comprised of the Company's 61.9% of Green Star's net income of \$407,165 for the third quarter of 2023, which included foreign exchange gain of \$737,308, royalty income of \$9,623, operating expenses net of interest income of \$201,248 and fair value loss on financial asset of \$138,518. The foreign exchange gain was mainly related to the foreign currency revaluation of the financial assets.

**Nine months ended September 30, 2023 and 2022***Revenue*

Revenue for the nine months ended September 30, 2023 totaled \$731,029, a decrease of \$261,417 compared to \$992,446 for the comparative period in 2022. Royalty income for the nine months ended September 30, 2023 was comprised of \$596,896 from Keysbrook (nine months ended September 30, 2022 - \$926,762) and \$134,133 from Elk Gold (nine months ended September 30, 2022 - \$65,684). The decrease in royalty income was due to less materials sold by the operator of Keysbrook in 2023, partially offset by higher royalty income from Elk Gold in 2023 as it only became a producing asset in the second quarter of 2022.

*Depletion*

Depletion expense for the nine months ended September 30, 2023 totaled \$324,930, a decrease of \$182,784 compared to \$507,714 for the comparative period in 2022. Depletion expense for the nine months ended September 30, 2023 was comprised of \$239,552 on Keysbrook (nine months ended September 30, 2022 - \$462,247) and \$85,378 on Elk Gold (nine months ended September 30, 2022 - \$45,467). The decrease in depletion was due primarily to less materials sold by the operator of Keysbrook in 2023 in comparison to the same period in 2022.

*Operating expenses*

Operating expenses for the nine months ended September 30, 2023 totaled \$2,146,279 compared to \$2,308,614 for the comparative period in 2022. The following table provides a breakdown of total operating expenses incurred for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Marketing and shareholder communications	\$ 15,972	\$ 215,639
Management and board compensation	1,304,179	1,077,214
Share-based compensation	457,757	645,120
Office and miscellaneous	129,651	197,879
Professional fees	238,720	172,762
Total expenses	\$ 2,146,279	\$ 2,308,614

Total operating expenses for the nine months ended September 30, 2023 decreased compared to the comparative period in 2022 due mainly to lower marketing and shareholder communications and lower share-based compensation, partially offset by general increases in management and board compensation.

*Other income*

The following table provides a breakdown of the other income for the nine months ended September 30, 2023 and 2022:

	Nine months ended. September 30, 2023	Nine months ended September 30, 2022
Foreign exchange (loss) gain	\$ (3,946)	\$ 187,685
Interest income	59,599	15,060
Management fees from Green Star joint venture	167,222	155,909
Equity income from Green Star joint venture	439,931	821
Green Star transaction	-	18,575,690
Other income	\$ 662,806	\$ 18,935,165

As a result of the closing of the private placement between the Company and Agnico Eagle and losing controls of Green Star, the Company recorded a gain of \$18,575,690 in the second quarter of 2022. The equity income from Green Star joint venture for the nine months ended September 30, 2023, was comprised of the Company's 61.9% of Green Star's net income of \$710,712 which included fair value gain on financial assets of \$1,174,848, foreign exchange gain of \$119,050, royalty income of \$12,754, and operating expenses net of interest income of \$595,940.

**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 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	\$ 271,567	\$ 188,033	\$ 271,429	\$ 423,052
Net (loss) income	(203,850)	(1,048,574)	69,539	498,688
Basic and diluted (loss) income per share	(0.00)	(0.01)	0.00	0.01
Cash flow (used in) from operating activities	(99,563)	(177,332)	(369,976)	25,469
Cash flow used in investing activities	-	-	-	-
Cash flow from financing activities	-	-	-	-
Total assets	45,807,933	46,935,563	46,723,955	46,616,448

  

	Q3 <sup>1</sup> 2022	Q2 <sup>1</sup> 2022	Q1 <sup>1</sup> 2022	Q4 <sup>1</sup> 2021
Revenue	\$ 334,192	\$ 350,595	\$ 307,659	\$ 158,776
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 (used in) operating activities	58,180	(286,703)	(564,625)	(206,278)
Cash flow used in 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

<sup>1</sup> 2021 and 2022 quarterly results have been updated to reflect prior period adjustments. Please refer to note 2 to the Consolidated Financial Statements for the year ended December 31, 2022 for details.

Changes in revenue, net income (loss) and cash flow from operating activities from quarter to quarter are affected primarily by fluctuations in sales of commodities by the operators of the assets of which the Company has royalties on, changes in the price of commodities, the commencement of operations of mines under construction, as well as equity income (loss) from the Green Star joint venture. Changes in total assets is impacted by acquisition of royalty and stream interests, equity income (loss) from the Green Star joint venture and fluctuations in foreign currency translation adjustments.

## Balance Sheet Review

	September 30, 2023	December 31, 2022
Assets	\$ 45,807,933	\$ 46,616,448
Liabilities	552,008	714,955
Shareholders' equity	45,255,925	45,901,493

### Assets

Total assets were \$45,807,933 at September 30, 2023 compared to \$46,616,448 at December 31, 2022. The Company's asset base is comprised primarily of royalty and stream interests, investment in Green Star joint venture and cash and cash equivalents. The reduction in assets was due to decreases in cash and cash equivalents, royalty and stream interests and receivables.

### Liabilities

Total liabilities at September 30, 2023 comprised of \$552,008 of accounts payable and accrued liabilities. The decrease in liabilities was due primarily to the payment of management bonus in January 2023 that was accrued as a liability in the 2022 year-end audited consolidated financial statements.

### Shareholders' equity

Shareholders' equity decreased by \$645,568 at September 30, 2023 compared to December 31, 2022, reflecting total comprehensive loss of \$1,355,801, offset by \$252,476 in common shares issued for compensation and \$457,757 in share-based compensation expenses recorded to contributed surplus.

## Liquidity and Capital Resources

As at September 30, 2023, the Company had a working capital<sup>1</sup> balance of \$1,529,974. This balance included cash and cash equivalents of \$1,828,337 (December 31, 2022 - \$2,478,184), receivables of \$211,996 (December 31, 2022 - \$382,543) and prepaids of \$41,649 (December 31, 2022 - \$43,621) to settle current liabilities of \$552,008 (December 31, 2022 - \$714,955). The Company received royalty payments of \$171,823 in October 2023 in respect of the Keysbrook royalties for the three months ended September 30, 2023. On November 1, 2023, the Company received CAD\$1,550,000 in cash and 7,407,407 shares of Sabre Gold upon closing of agreement with Sabre Gold to restructure the Company's existing gold streaming agreement on the Copperstone Mine. The Company will receive an additional CAD\$2,000,000 in combination of cash and marketable securities between September 2024 to September 2025.

Although the Company has not generated substantial revenue, the Company believes that the cash and cash equivalents balance as of the date of this MD&A which includes cash received from Sabre Gold in November 2023, 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.

<sup>1</sup> Working capital is a non-IFRS measure. Please refer to "Non-IFRS Financial Measures" of this MD&A

### Operating Activities

Net cash used for operating activities for the nine months ended September 30, 2023 was \$646,871 compared to \$793,148 in the same period of 2022. The decrease in net cash used for operating activities was due mainly to lower cash operating expenses throughout 2023.

### **Investing Activities**

There was no investing activity in the nine months ended September 30, 2023. Net cash used for investing activities for the nine months ended September 30, 2022 was related to the investment in Green Star joint venture.

### **Financing Activities**

There was no financing activity in the nine months ended September 30, 2023 and in the comparative period in 2022.

### **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 by maximizing its financial flexibility, adapting to changing economic conditions and evaluating 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 parties include key management personnel, individuals or companies controlled by key management personnel, and Green Star. Related party transactions include compensation paid to key management personnel and management fees paid to Green Star (see Note 7 of the condensed interim consolidated financial statements for the three and nine months ended September 30, 2023). Key management personnel include those 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 74,961,705 common shares of the Company issued and outstanding, 39,421,700 publicly traded warrants outstanding with an average exercise price of CAD\$1.00, 5,215,000 stock options outstanding with an average exercise price of CAD\$0.63, and 1,790,978 restricted share units outstanding.

### **Off-Balance Sheet Arrangements**

As at September 30, 2023, 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, 2023, are consistent with those applied and disclosed in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

## Change in Accounting Policies

There were no significant changes in accounting policies for the three and nine months ended September 30, 2023.

## 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 11 of the audited annual consolidated financial statements for the year ended December 31, 2022.

## 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, Preliminary Economic Assessment for the Copperstone Gold Project, La Paz County, Arizona, USA" with an effective date of June 26, 2023 and report date of August 2, 2023, 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 August 2, 2023.
- "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 August 26, 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 and amended on November 4, 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 private placements; completion of the transfer of carbon offset credit royalties; any other royalty and stream interest; market prices for metals; income from Green Star joint venture; 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 considering 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' expectation;
- that the completion of the Copperstone transaction will be completed in accordance with its terms, as amended;
- 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;
- the Copperstone Gold Project and the Elk Gold Project are each significant to Star Royalties. Other assets and properties may become significant to Star Royalties from time to time and any adverse development related to any such assets will affect the revenue derived from such assets;
- 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;
- risks related to health epidemics, pandemics 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;
- sale 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 honored 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 may elect not to complete the final outstanding payment tranche for the Copperstone Transaction;
- 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;
- Star Royalties has a history of losses, and it may be unable to achieve profitability;
- Star Royalties' operations depend on information systems that may be vulnerable to cyber security threats;
- the carbon market is rapidly evolving and Green Star's business and future prospects may be difficult to evaluate;
- the listing status under Verra and release of any sequestration results;
- carbon trading may become obsolete;
- lack of liquidity and high volatility of voluntary carbon markets;
- fluctuating price of carbon credits;

- carbon pricing initiatives are based on scientific principles that are subject to debate;
- no guarantee that Green Star will be able to source and/or executed high-quality carbon reduction projects suitable for investment and development;
- 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;
- Mineral Reserves and Mineral Resources are estimates based on interpretation and assumptions and actual production may differ from amounts identified in such estimates;
- 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;
- defects in or disputes relating to Star Royalties' royalties or streams 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;
- the operations in respect of which Star Royalties holds an interest are subject to environmental laws and regulations that may increase the costs of doing business and may restrict operations, which could reduce Star Royalties' revenues;
- 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;
- changes in government regulation could inhibit exploration, construction and development on, or production from, the mineral properties underlying Star Royalties' royalties or streams;
- Star Royalties is subject to risks related to certain operations in developing economies;
- Star Royalties may be responsible for corruption and anti-bribery law violations;
- Star Royalties may become party to litigation;
- adequate infrastructure may not be available to develop the properties in respect of which Star Royalties holds an interest, which could inhibit operations at such properties;
- mineral properties underlying Star Royalties' royalties or streams may be subject to risks related to indigenous peoples which could inhibit operations at such properties;
- investment is speculative and may result in the loss of an investor's entire investment in Star Royalties;
- an active, liquid and orderly trading market for the Company's common shares and warrants may not develop;
- the market price of the Company's common shares and warrants may be volatile;
- future sales or issuance of debt or equity securities cannot be predicted;
- negative cash flow from operating activities;
- certain shareholders have substantial control over Green Star's corporate actions and can exert significant influence over important corporate matters; 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, 2022 is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 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.sedarplus.ca](http://www.sedarplus.ca) for further discussion of risk factors and other information.