



News Release

Star Royalties Announces Conversion of Elk Gold Royalty

December 11, 2025, TORONTO, ON – Star Royalties Ltd. (“**Star Royalties**”, or the “**Company**”) (TSXV: STRR, OTCQX: STRFF) today announced the entering into of a binding agreement with Nhwelmen Construction Limited Partnership (“**NCLP**”), whereby Elk Gold Mining Corp., a subsidiary of Gold Mountain Mining Corp. (“**Gold Mountain**”), will repurchase the Company’s 2% net smelter return (“**NSR**”) royalty on the Elk Gold Mine (“**Elk Gold**”) in exchange for a 5% equity ownership of Gold Mountain immediately following the resolution of Gold Mountain’s court-appointed receivership process.

Transaction Highlights

- **Royalty conversion:** The Company’s 2% NSR royalty on Elk Gold will be extinguished in favour of an option to acquire 5% of the total issued and outstanding shares of Gold Mountain or any successor company of Gold Mountain arising from the conclusion of the receivership process. The option includes a C\$500,000 payment to Gold Mountain, payable in two equal tranches of C\$250,000 on January 15, 2026, and on March 30, 2026. The Company will retain customary anti-dilution and tag-along rights following the resolution of Gold Mountain’s receivership.
- **Alignment with new ownership:** The restructuring creates full alignment between the Company, NCLP, and NCLP’s owner, the Nlaka’pamux Nation Tribal Council (“**NNTC**”), with respect to long-term value maximization of Elk Gold, from exploration potential to production.
- **Wealth creation potential and pre-production optionality:** Elk Gold’s near-term catalysts include the completion of a revised resource statement and an updated mine plan, exploration programs, and the announcement of a development partner and external funding. The Company believes that the heavily discounted new equity stake in Gold Mountain has the ultimate potential of surpassing the value of the 2% NSR royalty. The same positive asset attributes that garnered the Company’s original interest in Elk Gold remain unchanged, including its location, grade profile, regional endowment and near-term cash flow potential, all to be unlocked with a new operating partnership.

Kevin MacLean, Chief Investment Officer of Star Royalties, commented: "Pursuing this restructuring allows the Company to capitalize on the reorganization of Elk Gold and to maintain optionality in the potential of the underlying resources. The equity position in Gold Mountain will give the Company exposure to an expanded area of 21,187 hectares, representing a meaningful increase over the land package that was covered by the royalty. We understand from NCLP that Elk Gold will be developed by a reputable and experienced, soon-to-be-disclosed operator that is known for its commitment to safety, environmental stewardship, and delivering projects on time and within budget. With permitting support from the NCLP and potential synergies with regional mining and milling assets, we believe this is an opportunity to benefit from a mining restart from a small capital base."

Lindsay Thompson, Chief Strategy Officer of NNTC stated: "Our primary objective during the receivership was structuring the new company to aggressively pursue the full value proposition of the Elk Gold resource. The support and resources provided by Star Royalties were a key part not only for this acquisition but also for accelerating our broader mining expansion strategy in British Columbia. Elk Gold is an important project and will serve as the cornerstone of our resource development strategy going forward."

CONTACT INFORMATION

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ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a precious metals and carbon credit royalty and streaming company. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders. The Company offers investors exposure to precious metals and carbon credit prices, as well as cleantech and other decarbonization projects through its pure-green joint venture, Green Star Royalties Ltd.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute “forward-looking statements”, including those regarding future market conditions for metals and minerals, the future value of the NSR royalty, timing with respect to resolution of Gold Mountain's court-appointed receivership process, the anticipated timing for completion of the transaction contemplated herein, and the future business growth and cash flow of the Company. Forward-looking statements are statements that address or discuss activities, events or developments that the Company expects or anticipates may occur in the future. When used in this news release, words such as “estimates”, “expects”, “plans”, “anticipates”, “will”, “believes”, “intends” “should”, “could”, “may” and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Star Royalties to be materially different from future results, performances or achievements expressed or implied by such statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved.

A number of factors could cause actual results, performances or achievements to differ materially from such forward-looking statements, including, without limitation, changes in business plans and strategies, that the transaction will be completed and that the transaction will be completed on the terms described above, resolution of Gold Mountain's court-appointed receivership process, market and capital finance conditions, metal and mineral commodity price volatility, discrepancies between actual and estimated production and test results, mineral reserves and resources and metallurgical recoveries, mining operation and development risks relating to the parties which produce the metals and minerals Star Royalties will purchase or from which it will receive royalty payments, risks inherent to royalty companies, title and permitting matters, activities by governmental authorities (including changes in taxation), currency fluctuations, natural disasters and global pandemics, significant economic and geopolitical uncertainty as a result of such tariffs and counter-tariffs and the potential trade wars and global supply chain issues that may be triggered by the tariff changes, 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.

Except where otherwise stated, the disclosure in this press release 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 current technical reports of the Elk Gold Project and on additional publicly disclosed information relating to these assets after the date of the technical reports.

Neither TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.