



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED  
DECEMBER 31, 2024**

## Introduction

This Management's Discussion and Analysis ("MD&A") of Star Royalties Ltd. is the responsibility of management and covers the years ended December 31, 2024 and 2023. The MD&A takes into account information available up to, and is dated, April 30, 2025 and should be read together with the audited financial statements for the years ended December 31, 2024 and 2023.

Throughout this document the terms "we", "us", "our", the "Company", "Management" and "Star Royalties" refer to Star Royalties Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 that offers investors exposure to precious metals and carbon credit prices, as well as cleantech and other decarbonization projects. The Company conducts its carbon and cleantech royalty investments via Green Star Royalties Ltd. ("Green Star"), a joint venture between Star Royalties, Agnico Eagle Mines Ltd. ("Agnico Eagle"), Cenovus Environmental Opportunity Fund Ltd. ("Cenovus"), and Management, where it innovated the world's first nature-based carbon credit royalties. 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 and restructuring royalties and streams in precious metals and in North American decarbonization 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.

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 production-stage and development investments. The Company believes that abiding by these portfolio constructs in the precious metals segment and Green Star's focus on North American decarbonization 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 portfolio of decarbonization investments is located in the USA and Canada. Please refer to "*Asset Portfolio*" of this MD&A for project details.

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 royalties on new carbon credit projects in nature-based solutions, renewable energy projects, as well as certain other cleantech investments. The Company continues to anticipate that Agnico Eagle's and Cenovus' 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 decarbonization opportunities. Green Star will continue to be managed by the Company's management team and its own Chief Development and Chief Commercial Officers with participation from Agnico Eagle and Cenovus on its board and technical advisory teams. Green Star's objective is to become the partner of choice in originating carbon credit and cleantech royalties, grow its critical mass, and ultimately attract capital from both generalist and ESG-focused investors in a future go-public event.

## Asset Portfolio

The Company currently holds the following royalty and stream assets directly or through a 45.9% ownership in Green Star:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
<b>Star Royalties Ltd.</b>					
Copperstone Gold Project	4% Gold Stream ("Gold Stream")	Gold	Arizona, USA	Near-Production <sup>1</sup>	Sabre Gold Mines Corp. <sup>2</sup>
Elk Gold Project	2% Net Smelter Return ("NSR") Royalty	Gold, Silver	British Columbia, Canada	Production	Gold Mountain Mining Corp.
Keysbrook Project	2% Gross Revenue ("GR") Royalty	Mineral Sands (Titanium, Zircon)	Western Australia, Australia	Production	Keysbrook Leucoxene Pty Ltd.
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 – 45.9% interest)</b>					
CarbonNOW Regenerative Agriculture Carbon Offset Project <sup>3</sup>	30% GR Royalty	Verra Verified Carbon Unit voluntary carbon offset credit	USA	Development	Locus Agricultural Solutions
NativState Improved Forest Management Carbon Offset Portfolio	Up to 20% GR Royalty	ACR Emission Reduction Ton voluntary carbon offset credit	USA	Operating	NativState 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.
Elizabeth Metis Settlement Forest Carbon Offset Project	40.5% GR Royalty	ACR Emission Reduction Ton voluntary carbon offset credit or Alberta Technology Innovation and Emissions Reduction Regulation Carbon Credit	Alberta, Canada	Development	Elizabeth Metis Settlement, Anew Climate LLC
Lac Seul First Nation Forest Carbon Offset Project	16% GR Royalty	Federal Output-Based Performance Standards Carbon Credit	Ontario, Canada	Development	Lac Seul First Nation, Big Tree Carbon Corp., Anew Climate LLC

<sup>1</sup> Copperstone's operational restart is expected to occur in mid-2026.

<sup>2</sup> On February 6, 2025, Sabre Gold (as defined below) was acquired by Minera Alamos Inc. pursuant to a plan of arrangement.

<sup>3</sup> On April 28, 2025, Star Royalties announced a termination of future capital commitments to the CarbonNOW program due to a deteriorating return profile and a conclusion that both known and unknown risks had become unacceptably elevated. Please refer to "Significant Portfolio Updates" section for more details.

## Significant Portfolio Updates

### Copperstone Gold Project

On October 28, 2024, Sabre Gold Mines Corp. ("Sabre Gold") announced that it had entered into a definitive agreement to be acquired by Minera Alamos Inc. ("Minera Alamos") (TSXV: MAI, OTCQX: MAIFF) under a plan of arrangement (the "Transaction"). The Company entered into a debt settlement agreement with Sabre Gold on October 28, 2024, to convert the Company's CAD\$2 million receivables from Sabre Gold into 6,435,006 common shares of Sabre Gold prior to the closing of the Transaction. Following the closing of the Transaction on February 6, 2025, the Company's 6,435,006 common shares of Sabre Gold were converted into 4,459,459 common shares of Minera Alamos pursuant to the debt settlement agreement. The Company's 7,407,407 common shares of Sabre Gold were also converted into 5,133,333 common shares of Minera Alamos shares, resulting in a total of 9,592,792 Minera Alamos common shares held by the Company. The Company's flat 4% gold stream pursuant to the gold streaming agreement on the Copperstone Gold Mine ("Copperstone") remained unchanged following the close of the Transaction.

On February 6, 2025, Minera Alamos announced that Copperstone became its priority development project and has taken steps to accelerate Copperstone into production by initiating engineering efforts aimed at fast-tracking Copperstone's development, engaging with lenders regarding finance facilities, as well as expanding its technical team. Copperstone's permits are currently in place for the restart of mining operations and Minera Alamos anticipates production to commence in mid-2026.

On March 12, 2025, Minera Alamos re-issued Copperstone's Preliminary Economic Assessment ("PEA"). The PEA demonstrated potentially robust post-tax economics which benefitted from pre-existing infrastructure on surface and underground, as well as significant tax assets and recently reduced royalty encumbrance on the project. The PEA supports the construction and development of a high-grade gold underground mining operation at Copperstone producing an average of 40,765 payable ounces of gold per year over its an initial approximate six-year mine life and does not address or incorporate ongoing work and trade-off studies currently being evaluated by the Minera Alamos.

### **Elk Gold Project**

Gold Mountain Mining Corp. ("Gold Mountain") (TSX: GMTN, OTCQB: GMTNF, FRA: 5XFA) announced on December 10, 2024, that it closed a non-brokered private placement of flow-through common shares for gross proceeds of CAD\$1,210,000 and incurred CAD\$388,126 of qualifying expenditures on the Elk Gold Project ("Elk Gold") during its most recent reporting period.

On March 17, 2025, Gold Mountain provided an operational update for the quarter ended January 31, 2025, and reported mining a total of 10,055 tonnes of ore, all of which came from the Siwash North Pit, and achieving a strip ratio of 39.6. The average ore grade delivered was 1.23 g/t gold. This compared with 1,455 tonnes of ore mined and a strip ratio of 137.3 in the prior-year period. Gold Mountain continued to face operational challenges during its operating quarter, leading to lower-than-expected production from Elk Gold. Gold Mountain continues to prepare for potential additional diamond-drill exploration work, including progressing the resource certainty of the Siwash North Pit through infill drilling, advancing exploration, environmental and technical work at off-lease areas of the mineral claims, and focusing on stakeholder engagement, with a focus on amending the mine permit. Subsequent to its reporting period, Gold Mountain staffed an internal geological and engineering team to support exploration and development activities as well as hired additional crews at Elk Gold to continue mining activities and commenced resource expansion drilling in the Bullion Zone, located directly north of the currently active Siwash Pit. It also initiated preliminary activities to generate an updated National Instrument 43-101 compliant mineral resource estimate and a PEA, anticipated for the second half of 2025. On March 17, 2025, Gold Mountain announced that it had initiated an internal review of its National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant independent Technical Report for the Elk Mine. This report, titled "National Instrument 43-101 Technical Report and Resource Update on the Elk Gold Project, Merritt, British Columbia, Canada", has an effective date of December 7, 2021, and a report date of January 21, 2022 (the "Elk Gold Technical Report"). Gold Mountain advised stakeholders not to place undue reliance on the Elk Gold Technical Report or the associated resource estimates until the internal review has been completed and its findings disclosed.

### **Green Star (Joint Venture – 45.9% interest)**

Green Star operates as a joint venture between Star Royalties, Agnico Eagle, Cenovus, and Management. The Company retains ownership of approximately 45.9% of Green Star's common shares, Agnico Eagle and Cenovus each own approximately 25.9% of the common shares and the remaining 2.3% is owned by Management.

Management's focus remains on evaluating future investments in North American nature-based carbon offset projects as well as investments in renewable energies and other green technologies.

### **NativState Improved Forest Management Carbon Offset Portfolio**

During the first half of 2024, Green Star acquired several gross revenue royalties from NativState LLC ("NativState") on a carbon offset-issuing portfolio of Improved Forest Management ("IFM") projects in the southeastern United States. NativState is an Arkansas-based forest carbon project developer focused on

aggregating small-to-medium forest landowners into IFM projects being developed under the American Carbon Registry. These royalties are expected to deliver voluntary carbon offsets to Green Star over a 20-year period, with a total consideration for the royalties up to \$5.6 million that was paid in full as of December 31, 2024.

During 2024, Green Star received its first carbon offset delivery of approximately 120,000 carbon offsets from the NativState investment and it remains actively engaged with multiple brokers and intermediaries within the voluntary carbon markets, including major banks and commodity traders, to monetize already-issued avoidance and removal offsets. To date, a large portion of the removal offsets in Green Star's inventory have been sold, along with a small portion of the avoidance offsets. Efforts to monetize the remainder of avoidance offsets are ongoing, with Green Star's carbon offsets participating in several active bids via intermediaries. Green Star is also exploring other monetization strategies, such as long-term offtakes with corporate partners, as well as participating in direct sales through NativState.

#### *CarbonNOW Regenerative Agriculture Carbon Offset Project*

Green Star's regenerative agriculture investment in the CarbonNOW® farming program is a partnership with Locus Agricultural Solutions® ("Locus") and Anew Climate LLC ("Anew") that incentivizes the adoption of regenerative agriculture practices by North American farmers on up to 1.32 million acres of farmland. In January 2024, as part of optimizing the CarbonNOW program, Green Star partnered directly with Locus and revised the original proceeds sharing agreement with Anew to a 30% gross revenue royalty on the carbon program. As of December 31, 2024, Green Star contributed a total of \$11,021,010 into the program.

During the fourth quarter, the CarbonNOW program entered the validation phase by a third-party validation and verification body, as it looked combine the 2022 and 2023 growing seasons to quantify the cumulative carbon sequestration potential under one verification process.

Subsequent to the reporting period, in April 2025, following multiple months of program and carbon sequestration rate analysis and extensive consideration, Green Star and its joint-venture partners reached an agreement to terminate future capital commitments to the CarbonNOW program due to a deteriorating return profile and a conclusion that both known and unknown risks had become unacceptably elevated and the program could not be sufficiently restructured to warrant additional investment. The determination to terminate future funding was based on various program-level complexities and underperformances as compared to the original investment case, certain revisions and inherent program inflexibility relating to the Verra Registry's methodology quantification, and a weakened financial outlook of the program, partly driven by CarbonNOW's offtaker for the program's first 500,000 carbon offsets filing for Chapter 11 bankruptcy protection on March 30, 2025. Additional information can be found in the Company's press release "*Star Royalties Provides Update on Green Star Royalties Portfolio and Corporate Strategy*" dated April 28, 2025.

Following termination of the program, Green Star has no further funding obligations nor investment interest in CarbonNOW.

## **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 decarbonization 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.

In 2025, the Company will continue to focus its strategy on advancing its mining royalty portfolio assets towards production. Management believes that the outlook for the Company's mining royalty portfolio has improved considerably, both due to asset de-risking and the steadily rising gold price, currently exceeding \$3,200/oz.

Copperstone is anticipated to return to production in mid-2026. With Minera Alamos' strong development track record, Copperstone's low capital intensity, permitting status and strong project economics at current gold prices, the Company's gold stream on Copperstone is expected to generate meaningful cash flows later next year. Near-term catalysts for Copperstone include the announcement of a project lending package, rehabilitation and installation of larger mill equipment, and receipt of all documentation for production startup.

For Gold Mountain, the Company looks forward to additional disclosure on go-forward development and operating plan for Elk Gold, as well as on funding plans and its recent exploration program at the Bullion Zone.

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

Green Star was established in late 2021 to provide shareholders with exposure to the rapidly growing carbon markets and ESG thematic given the strong investor and shareholder support at the time. Since then, a significant portion of Star Royalties' management effort was focused on establishing the Green Star joint venture through several significant corporate transactions involving senior natural resources companies with the aim of growing its green royalty portfolio. Star Royalties' management team continues to manage both Green Star's portfolio of North American carbon credit royalties and cleantech investments and Star Royalties' precious metals portfolio of royalties and streams.

Green Star's strategy remains to provide shareholders with exposure to high-quality, derisked and cash-flowing opportunities in cleantech and carbon offset projects, while generating leverage and upside from project expansion, optimization, and additional carbon reduction potential. Green Star has built strong working partnerships with NativState, Anew Climate and other carbon project developers, as well as relationships with numerous Canadian Indigenous communities, First Nations, and various other corporations. Green Star aims to leverage these partnerships to originate royalties in new cleantech and high-quality nature-based projects.

Green Star's investment philosophy is focused on growing its pipeline of near-cash-flowing green opportunities in cleantech and carbon offset markets with a strong priority on North American investments. Green Star remains sufficiently capitalized and its uncommitted capital is available to be deployed towards cash-flowing opportunities with certainty of revenue to establish a meaningfully free cash flowing, diversified and de-risked portfolio.

Green Star continues to represent an important source of future value creation for Star Royalties. Management remains encouraged about future prospects for this business and believes the joint venture is well positioned for an eventual turn in sentiment, supported by ongoing commitment from its major partners. In addition, the Company continues to believe the royalty model can be an excellent fit for the carbon markets and decarbonization sectors and it looks forward to innovating new structures to support the objectives of Green Star's strategic shareholders.

## Review of Financial Performance

### Three months ended December 31, 2024 and 2023

#### Revenue

Revenue for the fourth quarter of 2024 totaled \$144,090, a decrease of \$65,380 compared to \$209,470 for the comparative period in 2023. Royalty income for the fourth quarter of 2024 was comprised of \$139,733 from Keysbrook (fourth quarter 2023 - \$188,359) and \$4,357 from Elk Gold (fourth quarter 2023 - \$21,111). The decrease in royalty income was due to less materials sold by the operators of Keysbrook and Elk Gold in comparison to the same period in 2023.

#### Depletion

Depletion expense for the fourth quarter of 2024 totaled \$90,003, a decrease of \$24,212 compared to \$114,215 for the comparative period in 2023. Depletion expense for the fourth quarter of 2024 was comprised of \$84,111 on Keysbrook (fourth quarter 2023 - \$100,778) and \$5,892 on Elk Gold (fourth quarter 2023 - \$13,437). The decrease in depletion expense was due to less materials sold by the operators of Keysbrook and Elk Gold in comparison to the same period in 2023.

#### Operating expenses

Operating expenses for the fourth quarter of 2024 totaled \$2,198,334 compared to \$695,026 for the comparative period in 2023. The following table provides a breakdown of total operating expenses incurred for the three months ended December 31, 2024 and 2023:

	Three months ended December 31, 2024	Three months ended December 31, 2023
Marketing and shareholder communications	\$ 18,757	\$ 11,960
Management and board compensation	(145,364)	466,138
Share-based compensation	90,539	147,197
Office and miscellaneous	38,630	27,042
Professional fees	14,352	42,689
Expected credit loss	181,248	-
Impairment loss on Elk Gold mining royalty interest	2,000,000	-
Total expenses	\$ 2,198,334	\$ 695,026

Total operating expenses for the fourth quarter of 2024 increased compared to the same period in 2023. The Company determined that indicators of impairment existed for Elk Gold mining royalty interest. As a result, an impairment assessment was conducted and the Company recorded an impairment loss of \$2,000,000 (See Note 8 of the financial statements for the year ended December 31, 2024). An expected credit loss of \$181,248 was recorded as an allowance for amounts receivable from Sabre Gold (refer to Note 5 of the financial statements for the year ended December 31, 2024). A recovery of \$145,364 was recognized to adjust the accrued management bonuses. The increase in operating expenses was partially offset by reductions in share-based compensation and professional fees.

*Other (loss) income*

The following table provides a breakdown of the other (loss) income for the three months ended December 31, 2024 and 2023:

	Three months ended December 31, 2024	Three months ended December 31, 2023
Foreign exchange gain (loss)	\$ 93,346	\$ (52,029)
Interest income	13,084	19,281
Gain on marketable securities	380,404	164,689
Gain on partial disposal of royalty and stream interests	-	575,829
Management fees from Green Star joint venture	53,617	55,109
Equity (loss) income from Green Star joint venture	(20,870,476)	7,561,435
Loss on dilution of investment in Green Star joint venture	-	(773,977)
Other (loss) income	\$ (20,330,025)	\$ 7,550,337

The equity loss from the Green Star joint venture for the fourth quarter of 2024 reflects the Company's share of Green Star's net loss of \$45,490,531. This includes losses on royalty investments totaling \$59,578,798 and operating expenses, net of interest income, amounting to \$102,785. These losses were partially offset by a deferred tax recovery of \$11,804,577 arising from the reversal of temporary differences between the carrying amounts of certain carbon credit royalty investments for financial reporting purposes and for tax purposes, foreign exchange income of \$2,370,201 and gross margin of \$16,274 from sale of carbon credits. The foreign exchange gain primarily resulted from the revaluation of financial assets due to currency fluctuations. The gain on marketable securities of \$380,404 reflects the appreciation in the value of shares held in Sabre Gold as disclosed in Note 6 of the financial statements for the year ended December 31, 2024.

**Years ended December 31, 2024 and 2023***Revenue*

Revenue for the year ended December 31, 2024 totaled \$811,241, a decrease of \$129,258 compared to \$940,499 for the comparative period in 2023. Royalty income for the year ended December 31, 2024 was comprised of \$783,585 from Keysbrook (year ended December 31, 2023 - \$785,254) and \$27,656 from Elk Gold (year ended December 31, 2023 - \$155,245). The decrease in royalty income was due to less materials sold by the operator of Elk Gold in 2024 in comparison to the same period in 2023.

*Depletion*

Depletion expense for the year ended December 31, 2024 totaled \$398,378, a decrease of \$40,767 compared to \$439,145 for the comparative period in 2023. Depletion expense for the year ended December 31, 2024 was comprised of \$377,607 on Keysbrook (year ended December 31, 2023 - \$340,330) and \$20,771 on Elk Gold (year ended December 31, 2023 - \$98,815). The decrease in depletion expense was due to less materials sold by the operators of Elk Gold in comparison to the same period in 2023.



*Operating expenses*

Operating expenses for the year ended December 31, 2024 totaled \$5,057,790 compared to \$2,841,305 for the comparative period in 2023. The following table provides a breakdown of total operating expenses incurred for the years ended December 31, 2024 and 2023:

	Year ended December 31, 2024	Year ended December 31, 2023
Marketing and shareholder communications	\$ 96,069	\$ 27,932
Management and board compensation	1,668,497	1,770,317
Share-based compensation	501,362	604,954
Office and miscellaneous	162,144	156,693
Professional fees	264,701	281,409
Expected credit loss	365,017	-
Impairment loss on Elk Gold mining royalty interest	2,000,000	-
Total expenses	\$ 5,057,790	\$ 2,841,305

Total operating expenses for the year ended December 31, 2024, increased compared to the prior year, primarily due to an impairment loss on the Elk Gold mining royalty interest (refer to Note 8 of the financial statements for the year ended December 31, 2024) and increased marketing and shareholder communication expenses, reflecting elevated marketing activities supporting contemplated transactions. These increases were partially offset by reductions in annual management bonuses and share-based compensation. Additionally, the expected credit loss of \$365,017 reflects the allowance for credit losses on amounts receivable from Sabre Gold (see Note 5 of the financial statements for the year ended December 31, 2024).

*Other (loss) income*

The following table provides a breakdown of the other (loss) income for the years ended December 31, 2024 and 2023:

	Year ended December 31, 2023	Year ended December 31, 2023
Foreign exchange gain (loss)	\$ 140,779	\$ (55,975)
Interest income	71,738	78,880
Gain on marketable securities	108,153	164,689
Gain on partial disposal of royalty and stream interests	-	575,829
Management fees from Green Star joint venture	219,010	222,331
Equity (loss) income from Green Star joint venture	(19,753,332)	8,001,366
Loss on dilution of investment in Green Start joint venture	-	(773,977)
Other (loss) income	\$ (19,213,652)	\$ 8,213,143

The equity loss of \$19,753,332 from the Green Star joint venture for the year ended December 31, 2024, reflects the Company's share of Green Star's net loss of \$43,035,582. This includes losses on royalty investments totaling \$56,133,599 and operating expenses, net of interest income, amounting to \$883,628. These losses were partially offset by a deferred tax recovery of \$10,718,000, foreign exchange income of \$3,247,371 and gross margin of \$16,274 from sale of carbon credits. The foreign exchange gain primarily resulted from the revaluation of financial assets due to currency fluctuations. The gain on marketable securities of \$108,153 reflects the appreciation in the value of shares held in Sabre Gold as disclosed in Note 6 of the financial statements for the year ended December 31, 2024.

## 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.

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	\$ 144,090	\$ 125,450	\$ 266,306	\$ 275,395
Net (loss) income	(22,516,020)	(1,330,714)	(567,350)	320,430
Basic and diluted (loss) income per share	(0.29)	(0.02)	(0.01)	0.00
Cash flow used in operating activities	(209,342)	(213,935)	(253,271)	(797,888)
Cash flow used in investing activities	-	-	-	-
Cash flow used in financing activities	-	-	-	-
Total assets	27,023,262	52,614,108	52,911,835	53,636,960

  

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue	\$ 209,470	\$ 271,567	\$ 188,033	\$ 271,429
Net income (loss)	6,894,059	(277,408)	(1,048,574)	69,539
Basic and diluted income (loss) per share	0.09	(0.00)	(0.01)	0.00
Cash flow used in operating activities	(78,736)	(99,563)	(177,332)	(369,976)
Cash flow provided by investing activities	1,148,710	-	-	-
Cash flow used in financing activities	-	-	-	-
Total assets	54,603,591	45,807,933	46,935,563	46,723,955

Changes in revenue, net income (loss) and cash flow used in 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.

## Selected Annual Financial Information

	December 31, 2024	December 31, 2023	December 31, 2022
Total assets	<b>27,023,262</b>	\$ 54,603,591	\$ 46,616,448
Financial liabilities	<b>308,229</b>	783,824	714,955
Working capital <sup>1</sup>	<b>3,099,959</b>	4,018,447	2,189,393
Shareholders' equity	<b>26,715,033</b>	53,819,767	45,901,493
Total revenue	<b>811,241</b>	940,499	1,415,498
Net (loss) income	<b>(24,093,654)</b>	5,637,616	17,331,943
Basic and diluted (loss) earnings per share	<b>(0.31)</b>	0.08	0.24
Diluted (loss) income per share	<b>(0.31)</b>	0.07	0.24

<sup>1</sup> Working capital is a non-IFRS measure and calculated as Current Assets minus Current Liabilities as disclosed on the Statements of Financial Position.

## Balance Sheet Review

	December 31, 2024	December 31, 2023
Assets	<b>27,023,262</b>	54,603,591
Liabilities	<b>308,229</b>	783,824
Shareholders' equity	<b>26,715,033</b>	53,819,767

**Assets**

Total assets were \$27,023,262 at December 31, 2024 compared to \$54,603,591 at December 31, 2023. The Company's asset base is comprised primarily of royalty and stream interests, investment in Green Star joint venture, receivables and cash. The decrease in assets resulted primarily due to equity loss from ownership interest in the Green Star joint venture and depletion.

**Liabilities**

Total liabilities at December 31, 2024 comprised of \$308,229 of accounts payable and accrued liabilities.

**Shareholders' Equity**

Shareholders' equity decreased by \$27,104,734 at December 31, 2024 compared to December 31, 2023, reflecting total comprehensive loss of \$27,843,697, but partially offset by \$317,905 in common shares of the Company issued for compensation, and \$421,058 in share-based compensation expenses recorded to contributed surplus.

**Liquidity and Capital Resources**

As at December 31, 2024, the Company had a working capital<sup>1</sup> balance of \$3,099,959. This balance included cash of \$1,377,630 (December 31, 2023 - \$2,880,019), receivables of \$1,173,524 (December 31, 2023 - \$1,102,357), marketable securities of \$823,674 (December 31, 2023 - \$784,090) and prepaids of \$33,360 (December 31, 2023 - \$35,805) to settle current liabilities of \$308,229 (December 31, 2023 - \$783,824).

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

The audited financial statements for the year ended December 31, 2024 have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at December 31, 2024, the Company had cash of \$1,377,630. For the year ended December 31, 2024, the Company used cash of \$1,474,436 in its operating activities (2023 - \$725,607) and incurred a comprehensive loss of \$27,843,697 (2023 - comprehensive gain of \$6,846,611). These conditions indicate a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is contingent upon generating revenue from its royalty and stream interests, receiving management fees from Green Star, sale of marketable securities and securing sufficient funds through equity capital or other financing to meet its expenditure requirements over the next twelve months. 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 such financing will be available in the future and that the steps management is taking will be successful. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**Operating Activities**

Net cash used for operating activities for the year ended December 31, 2024 was \$1,474,436 compared to \$725,607 in the same period of 2023. The increase in net cash used in operating activities was due to an increase in management and board compensation. A higher portion of the board compensation was paid in cash instead of restricted share units which resulted in higher cash used in operating activities as compared to the same period last year.

**Investing Activities**

There was no investing activity in the year ended December 31, 2024. Net cash provided by investing activities of \$1,148,710 for the year ended December 31, 2023 was related to proceeds from the partial disposal of royalty and stream interest.

**Financing Activities**

There was no financing activity in the year ended December 31, 2024 and in the comparative period in 2023.

**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 financial statements for the year ended December 31, 2024). 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. Key management compensation and related party transactions are disclosed in Note 9 of the audited annual financial statements for the year ended December 31, 2024.

**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 78,637,283 common shares of the Company issued and outstanding, 5,215,000 stock options outstanding with an average exercise price of CAD\$0.63, and 1,346,210 restricted share units outstanding.

**Off-Balance Sheet Arrangements**

As at December 31, 2024, the Company had no off-balance sheet arrangements.

## Critical Accounting Judgements and Estimates

The Company applied the critical accounting judgements and estimates as disclosed in Note 3 of the audited annual financial statements for the year ended December 31, 2024.

## Change in Accounting Policies

The change in accounting policies is disclosed in Note 4 of the audited annual financial statements for the year ended December 31, 2024.

## 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 12 of the audited annual financial statements for the year ended December 31, 2024.

## 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 Minera Alamos Inc.) 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. (currently Minera Alamos Inc.) 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. (currently Minera Alamos Inc.) and filed under Sabre Gold's SEDAR+ profile on August 2, 2023.
- "NI 43-101 Technical Report, Preliminary Economic Assessment for the Copperstone Gold Project, La Paz County, Arizona, USA" with an effective date of February 6, 2025 and report date of February 15, 2025, which technical report was prepared in accordance with NI 43-101 for Minera Alamos Inc. and filed under Minera Alamos' SEDAR+ profile on March 12, 2025.
- "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.<sup>2</sup>

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.

<sup>2</sup> On March 17, 2025, Gold Mountain announced that it had initiated an internal review of the Elk Technical Report. Gold Mountain advised stakeholders not to place undue reliance on the Elk Gold Technical Report or the associated resource estimates until the internal review has been completed and its findings disclosed.

## 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; monetization of carbon credits; targeted cash flow positions; access to capital; the ability to raise additional capital and complete future financings; completion of private placements; the issuance of the Sabre Mining shares pursuant to the debt settlement agreement; completion of the Transaction and the related share exchange of Sabre Mining shares; 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; expected delivery of carbon offset credits to Green Star by NativState; 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;
- continued strategic involvement by Agnico Eagle and Cenovus in Green Star;
- Green Star will continue to be managed by the Company’s management team and its own Chief Development and Chief Commercial Officers with participation from Agnico Eagle and Cenovus on its board and technical advisory teams;
- the absence of an outbreak or escalation of infectious diseases or other similar health threats, which 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;
- significant economic and geopolitical uncertainty related to tariffs, as well as shifting trends in carbon credit marketing practices;
- 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;
- expectations regarding Copperstone's operational restart;
- 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;
- 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 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;
- 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, 2024 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) 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) 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 financial statements for external purposes in accordance with the issuer's GAAP (IFRS Accounting Standards).

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.