

NEWS RELEASE



Star Royalties Acquires a Cash Flowing Royalty on the Keysbrook Mine

OCTOBER 22, 2020, TORONTO, ON - Star Royalties Ltd. (the “Company” or “Star Royalties”) is pleased to announce it has completed the acquisition of an existing 2.0% minerals royalty (the “Royalty”) on the Keysbrook mineral sands mine (“Keysbrook”) located in WA, Australia and owned and operated by Keysbrook Leucoxene Pty Ltd (“Keysbrook Leucoxene”), from Resource Capital Fund VI L.P. (“RCF VI”) for a total consideration of US\$3,000,000 in cash.

Alex Pernin, CEO of Star Royalties, commented: “We are proud to announce our first cash flowing royalty. Keysbrook represents immediate revenue from an excellent mining jurisdiction and is operated by a tier-one counterparty (a subsidiary of a large Japanese conglomerate). With this transaction closed, we are now focused on progressing our significant precious metals pipeline of opportunities, as well as our going-public transaction in the very near-future.”

Transaction Terms

Star Royalties has agreed to acquire a 2.0% Royalty from RCF VI for a total consideration of US\$3,000,000 in cash. The Royalty covers all current mining areas at Keysbrook, and will be payable to Star Royalties as of October 1, 2020. The Royalty is estimated to generate US\$500,000-US\$600,000 in annual after-tax cash flow.

Keysbrook Mine

Keysbrook is an open pit mineral sands mine located 70 km south of Perth, WA, Australia. Keysbrook is owned and operated by Keysbrook Leucoxene, a subsidiary of Doral Mineral Sands Pty Ltd (“Doral”), which is ultimately a subsidiary of Iwatani Corporation of Japan. Keysbrook produces leucoxene (a naturally altered ilmenite product) and zircon, and commenced operations in late 2015. The heavy mineral concentrate produced at Keysbrook is transported via road to Doral’s nearby Mineral Separation Plant for processing. Final products of leucoxene and zircon are exported to global customers through the Ports of Bunbury and Fremantle, WA, Australia.

CONTACT INFORMATION

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■ ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a growth-oriented, precious metals-focused royalty and streaming company. We pursue high-quality cash flow generation and shareholder value creation through the origination and acquisition of royalties and streams. By specializing in custom-made and operator-friendly financing solutions, our objective is to be uniquely aligned with our counterparties and to provide our investors with leverage to rising precious metal prices. We aim to become the preferred mine financing partner for producers, developers and explorers.

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. 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, market conditions, share price, best use of available cash, the ability of the Company to identify and execute future acquisitions on acceptable terms or at all, risks inherent to royalty companies, title and permitting matters, metal and mineral commodity price volatility, discrepancies between actual and estimated production, 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 receive royalty payments, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global social and economic climate, natural disasters and global pandemics, dilution, and competition. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.