

NEWS RELEASE



Star Royalties Closes Second US\$6 Million Installment of US\$18 Million Stream Financing for the Restart of the Copperstone Gold Mine

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FEBRUARY 24, 2021, TORONTO, ON - Star Royalties Ltd. (the “**Company**” or “**Star Royalties**”) (TSXV: STRR) is pleased to announce the closing of the second installment of its previously announced US\$18,000,000 gold purchase and sale agreement (the “**Streaming Agreement**”) with Arizona Gold Corp. (“**Arizona Gold**”) (TSX: AZG, OTC: AGAUF) (formerly Kerr Mines Inc.) which will be used to finance the restart of underground operations and gold production at the Copperstone Gold Mine (“**Copperstone**”) in Arizona, USA.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: “With the closing of Tranche 2 and an expected operational restart in less than one year, this gold stream represents significant, near-term cash flow from a highly prospective deposit in a world-class jurisdiction. We have great confidence in both Copperstone’s potential and Arizona Gold’s ability to execute a successful restart of operations. We continue to look forward to working closely with their team as we transition Copperstone into Arizona’s next producing gold mine.”

The US\$18 million advance payment under the Streaming Agreement is being provided in three equal installments, with the first two US\$6 million installments having now been advanced. The final US\$6 million installment will be payable on or before April 30, 2021, subject to certain closing conditions.

Summary of Transaction Terms

- Star Royalties will purchase from Arizona Gold an amount of refined gold equal to 9.9% of gold produced at Copperstone until a cumulative 21,000 ounces of refined gold are delivered, then 3.3% of gold produced until a cumulative 27,200 ounces are delivered, and 1.2% of gold produced thereafter for the remaining life of mine.
- In addition to the US\$18 million advance payment, Star Royalties will provide a cash payment to Arizona Gold for each ounce of gold delivered equal to 25% of the average London Bullion Market Association gold spot price (PM) for the five consecutive trading days prior to delivery. Arizona Gold has granted security over all of its assets to the Company to secure the obligations of Arizona Gold to the Company under the Streaming Agreement.
- In connection with the advance of the second tranche of US\$6 million, Arizona Gold entered into an amended and restated royalty purchase

agreement with Trans Oceanic Mineral Company Ltd. (“**TOMCL**”) providing for the purchase of a 3% gross production royalty on Copperstone for US\$2.5 million. Upon completion, the purchase will reduce the aggregate gross royalties on Copperstone from 6% to 3%, consisting of a remaining 1.5% royalty which will continue to be held by TOMCL and a 1.5% royalty held by Angie Patch Survivor's Trust. Completion of the repurchase is subject to the satisfaction of all conditions to the advance by Star Royalties of the third US\$6 million installment under the Streaming Agreement.

CONTACT INFORMATION

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ABOUT STAR ROYALTIES LTD.

Star Royalties Ltd. is a precious metals royalty and streaming investment company. The company's objective is to provide wealth creation through accretive transaction structuring and asset life extension with superior alignment to both counterparties and shareholders. With a strategy to also invest in green opportunities, Star Royalties pioneered the first forest carbon credit royalty and is pursuing a pipeline of additional green investments.

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 from which it will 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.