

NEWS RELEASE



Star Royalties Provides Update on Copperstone Gold Stream

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APRIL 30, 2021, TORONTO, ON - Star Royalties Ltd. (the “Company” or “Star Royalties”) (TSXV: STRR) is pleased to provide an update on its previously announced US\$18 million 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.

Restart Activities

As previously disclosed by Arizona Gold, Copperstone remains on track for operational restart in Q4 2021 and first gold production in Q1 2022. Arizona Gold is currently focused on securing long-term lead items, recruiting key personnel, finalising detailed engineering for the mine and mill, and sourcing underground mining contractors and equipment.

- **Final engineering:** Arizona Gold has secured several key mining consultants and is finalising details to prepare for operational restart. Underground mining-related ongoing work includes final recommendations in the areas of backfill design, geotechnical, ventilation, water management and electrical infrastructure.
- **Backfill and ground control:** Preliminary conclusions from geotechnical studies have indicated the opportunity for wider mining widths than originally contemplated by Arizona Gold. In addition, preliminary results from backfill testing support utilisation of a partially cemented rock backfill process. Arizona Gold has stated that it believes that these conclusions have the potential to enhance previously estimated production efficiencies.
- **Mine engineering:** Final mine design and schedules are being prepared in advance of the forthcoming reserve update and ramp-up to full mine production. Considerations in the design and schedule include optimising work flows and implementing newly identified advantages related to ore sequencing, production efficiencies, haul profiles and advancement of utilities, including ventilation.
- **Mine operations:** Arizona Gold has initiated pre-production mine ground support rehabilitation and will soon begin stope definition drilling, which is a requirement for detailed final gold ore stope designs. Arizona Gold is in final preparations to engage an experienced underground mine contractor.
- **Mineral processing plant:** Work completed in concert with Hanlon Engineering, Arizona Gold’s EPCM contractor, includes final layout and design of the new Whole Ore Leach (“**WOL**”) gold processing plant. Arizona Gold has completed final costing for the rehabilitation of the existing mineral processing facility’s crush and grind circuit. Final metallurgical testing to optimise grind size, leach kinetics and reagent consumption is nearly complete. In addition, work has begun to remove the original flotation circuit, clearing the way for the forthcoming installation of the new WOL circuit, including a gold doré room.

Drilling Program

Arizona Gold announced on April 27, 2021 the completion of their underground core hole drilling program, having successfully tested the continuity of near-infrastructure mineralisation in various previously defined mineral domains and previously planned stopes. The core drilling was done in the C and D Zones. Preliminary indications confirm mineralisation as previously modelled while demonstrating continuity and extension of currently defined mineralised domains.

Recent drilling highlights include (the dates noted below refer to the dates of the applicable Arizona Gold news releases):

- AZG-21-P3C-06C (April 27, 2021): 10.8m at 8.2 g/t Au, including 0.7m at 49.1 g/t Au.
- AZG 21-P3A-02C (April 27, 2021): 2.3m at 10.6 g/t Au, including 0.8m at 19.0 g/t Au.
- AZG-21-13-12 (April 7, 2021): 1.5m at 22.07 g/t Au, and 1.2m at 11.73 g/t Au.
- AZG-20S-23 (April 7, 2021): 15.2m at 3.27 g/t Au, including 6.1m at 6.02 g/t Au.
- AZG-21-13-07 (March 10, 2021): 1.8m at 43.97 g/t Au, and 1.5m at 2.64 g/t Au.
- AZG-21-21-24 (March 10, 2021): 3.0m at 18.73 g/t Au, including 1.5 m at 26.93 g/t Au.

Reverse circulation close-spaced in-fill drilling is expected to commence in May in order to provide detailed information for stope mining design. Arizona Gold has stated that it expects to provide an updated resource estimate in Q2 2021, which will also include drilling results from their 5,000-metre drilling program in 2019.

Copperstone Gold Stream Final Instalment

The US\$18 million advance payment under the Streaming Agreement is being provided in three equal instalments, with the first two US\$6 million instalments having now been advanced. As described above, these first two instalments, totalling US\$12 million, are being allocated by Arizona Gold to advance detailed engineering, secure long-term lead equipment, perform pre-operational mining activities and to prepare the plant area for the installation of the new WOL processing equipment. Given the current spending profile, which remains back-end weighted, Star Royalties and Arizona Gold have agreed to revise the final US\$6 million instalment to be payable on or before June 30, 2021 (previously April 30, 2021), subject to certain closing conditions.

Alex Pernin, Chief Executive Officer of Star Royalties, commented: “We are pleased with Arizona Gold’s prudent capital allocation of our stream financing thus far and are encouraged with Arizona Gold’s restart activities and drilling program results announced to date. Copperstone remains on schedule and on budget for first gold production in Q1 2022. The Copperstone gold stream continues to represent significant, near-term cash flow for Star Royalties from a highly prospective deposit in a world-class jurisdiction.”

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 one of the first forest carbon offset credit royalties 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, the finance and restart of underground mining operations and gold production at Copperstone, the recruitment of key personnel at the mine, finalising detailed engineering for the mine and mill, and sourcing underground mining contractors and equipment, enhancing previously estimated production efficiencies at the mine, the introduction of stope definition drilling, continued removal of the original flotation circuit, installing the new WOL circuit, the provision of an updated mineral resource estimate in Q2 2021, which will also include updated drilling results, and the payment of the final US\$6 million installment in connection with the Streaming Agreement. 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 and streaming 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 or streaming payments, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global social and economic climate, natural disasters and global pandemics, including COVID-19, 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.

CAUTIONARY NOTE REGARDING SCIENTIFIC AND TECHNICAL INFORMATION

The technical and scientific information contained in this press release in respect of the Copperstone Project, is based on the technical report entitled "NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Project, La Paz County, Arizona, USA" with an effective date of April 1, 2018 and report date of May 18, 2018 (the "Technical Report"), which technical report was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") for Kerr Mines Inc. (which changed its name to Arizona Gold on December 17, 2020), and filed under Arizona Gold's SEDAR profile on May 22, 2018, and on additional publicly disclosed information relating to the Copperstone Project after the date of the Technical Report, including Arizona Gold's news releases entitled "Arizona Gold Drills 49 g/t Gold and Provides Drilling Update" dated April 27, 2021, "Arizona Gold Drills 22.2 g/t Gold" dated April 7, 2021, "Arizona Gold Reports Progress Towards Gold Production" dated March 23, 2021, and "Arizona Gold Drills 43.97 g/t Gold and Provides Drilling Update" dated March 10, 2021.

The technical and scientific information contained in this news release 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.