



(“Star Royalties” or “the Company”)

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2021
(Presented in United States (“US”) Dollars)**

Introduction

This Management's Discussion and Analysis ("MD&A") of Star Royalties Ltd. is the responsibility of management and covers the three and six months ended June 30, 2021. The MD&A takes into account information available up to, and is dated, August 24, 2021 and should be read together with the audited financial statements for the year ended December 31, 2020 and the unaudited condensed interim financial statements for the three and six months ended June 30, 2021 and the related notes thereto.

Throughout this document the terms *we, us, our, the Company* and *Star Royalties* refer to Star Royalties Ltd. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and is presented in United States Dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

Description of Business

Star Royalties is a precious metals royalty and streaming investment company with a strategy to also invest in green royalty opportunities. Star Royalties is one of the first companies to establish a forest carbon credit royalty and is pursuing a pipeline of additional green investments. Following the recent acquisition of a new royalty on carbon offset credits from the Elizabeth Metis Settlement Forest in Alberta, Canada, the Company remains committed to sustainable environmental solutions and continues to view ESG-related investments as a highly scalable business model with attractive returns.

Star Royalties specializes in bespoke and operator-friendly financing solutions, including the repurchase and restructuring of existing royalties and streams. The Company aims to structure mutually beneficial agreements that optimise the counterparties' capital structure, while generating a return above the Company's cost of capital for its shareholders. Star Royalties looks to become the trusted financing partner for mining companies throughout the various stages of mine development, and commodity and capital markets cycles. 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.

Star Royalties targets a long term 80% capital asset allocation to precious metals with up to 20% available for predominantly green investments which currently includes the development of carbon offset credit projects (biosequestration and renewable energy), green technology (diesel displacement) and battery metals (copper, nickel and lithium) investments.

Additionally, Star Royalties' longer-term portfolio allocation will target 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 restrict capital allocation towards higher-risk, long-term exploration-stage investments. The Company believes that abiding by these portfolio constructs will result in a robust, cash generating, precious metals-focused portfolio that will provide attractive risk-adjusted returns to its shareholders.

The Company's royalty and stream interests are located in the USA, Australia, Canada and Mongolia. Please refer to the "Asset Portfolio" section below for project details.

Corporate Developments

Copperstone Gold Stream

- On June 29, 2021, the Company provided an update on its purchase and sale agreement (the "Streaming Agreement") dated November 11, 2020, as amended on April 29, 2021 with Arizona Gold Corp. ("Arizona Gold") (formerly Kerr Mines Inc.). The final \$6 million instalment remains subject to certain closing conditions, which now include the completion or cancellation of the proposed pending merger transaction between Arizona Gold and Golden Predator Mining Corp. Additional information with respect to this transaction can be found under "Significant Portfolio Updates". The final instalment's timing amendment is not expected to impact Coppertone's restart timing.

Share-based compensation

- On June 23, 2021, the Omnibus Plan of the Company was approved by the shareholders at the Annual General and Special Meeting. The IFRS grant date of the stock options and RSUs issued in February 2021 was established on June 23, 2021 upon shareholders' approval of the Omnibus Plan. In accordance with IFRS 2 *Share Based Payment*, the Company revised the earlier fair value estimate so that the amounts recognized for services received in respect of the grant are based on the grant date fair value.

Other

- On April 15, 2021, the Company filed a base-shelf prospectus which will allow flexibility for the Company to raise capital for the acquisition of larger-size royalty and stream interests when opportunities arise.
- On May 28, 2021, the Company commenced trading on the OTCQX Market under the symbol "STRFF".

Significant Portfolio Updates

Copperstone Gold Project

On June 1, 2021, Arizona Gold announced additional underground drilling results from its in-fill delineation core drilling program at its Copperstone project. The holes were drilled from underground to support and guide follow-up reverse circulation drilling on close-spaced centres, which will lead to final stope mine planning. Drilling highlights include:

- Drill Hole AZG-21-P3B-04C: 11.8 m at 8.8 g/t Au, including 1.1 m at 53.5 g/t Au
- Drill Hole AZG-21-P2B-02C: 3.3 m at 11.4 g/t Au, including 1.1 m at 17.9 g/t Au
- Drill Hole AZG-21-P2G-07C: 3.2 m at 11.3 g/t Au, including 1.7 m at 20.3 g/t Au

On June 28, 2021, Arizona Gold announced that it had entered into a definitive agreement pursuant to which Arizona Gold and Golden Predator Mining Corp. ("Golden Predator") will merge to create a more liquid and better capitalized, North American-focused, near-term gold producer. In connection with the transaction, Arizona Gold will acquire all of the issued and outstanding shares of Golden Predator pursuant to a plan of arrangement under the Business Corporation Act (British Columbia). Upon completion of the transaction, the existing Arizona Gold and Golden Predator shareholders will own approximately 55% and 45% of the combined company common shares, respectively, on an outstanding basis. Shareholder meetings will be held by each of Arizona Gold and Golden Predator on August 25, 2021 to approve this transaction.

Baavhai Uul Project

On July 15, 2021, Ion Energy Limited ("Ion Energy") announced that its maiden exploration drilling program at its Baavhai Uul Lithium Salar Project had been completed. 21 core drill holes totalling 823.2 m were completed through two prospective basins. Collection of core samples, sediments and shallow brine from

aquifers had been completed and submitted to SGS Laboratories (ISO 17025 Certified) in Ulaanbaatar, Mongolia. Ion Energy expects the assay results to be analysed in the coming months and is currently planning additional drilling and sampling programs.

Elizabeth Metis Project

On July 23, 2021, the Company executed a definitive royalty purchase agreement and gross revenue royalty agreement with Elizabeth Metis Settlement ("EMS") to acquire a 13.5% gross revenue royalty on EMS' revenue share from the creation and sale of emission reduction benefits (including carbon offset credits and emission reduction credits) from forested lands located in Elizabeth Metis Settlement in Alberta, Canada for a total consideration of \$238,569 (CAD\$300,000) in cash.

Corporate Strategy

The Company is focused on underwriting bespoke royalties and streams with the intent of optimising its counterparties' risk-adjusted cost of capital while allowing Star Royalties to achieve above-threshold returns. Management, as capital allocators, constantly review new opportunities to sustainably and responsibly grow Star Royalties' portfolio 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 and is defined as cash flow from operating activities less capital expenditures divided by total number of common shares outstanding.)
4. Additional industry-standard investment metrics as outlined on the Company's website at www.starroyalties.com/portfolio

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 producers and developers in top-tier jurisdictions in order to maximize its risk-adjusted returns, with a corporate strategy of pursuing value and quality over quantity.

Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's royalty and stream programs. The overall market conditions for smaller resource companies are another significant risk factor. The Company is not aware of any seasonality encountered by precious metals-focused royalty and streaming companies that may have a material effect upon its financial condition.

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.

Impact of the COVID-19 Pandemic

The Company faces risks related to health epidemics 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. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. There have been no material impacts announced to date on any of the properties underlying the Company's stream and royalty interests. However, as the COVID-19 pandemic ("COVID-19") continues to impact the jurisdictions in which the Company holds assets, the broader impact of COVID-19 on investors, businesses, the global economy or financial and commodity markets may have a material adverse effect on the Company. As of March 23, 2020, pursuant to executive order 2020-12, in the State of Arizona, mining was determined to be an essential service. Accordingly, the Copperstone project's development has not been impacted by COVID-19. However, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity in the mines where the

Company has stream and royalty interests, increased insurance premiums, limitations on travel, supply chain interruption, the availability of industry experts and personnel and other factors that will depend on future developments beyond the Company's control. Efforts to slow the spread of COVID-19 could severely impact the Company's operations. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as border restrictions, travel bans, quarantine and self-isolation. Should the Company's operations be disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and stock price. Further, COVID-19 risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals and government or regulatory actions.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Company's share price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

The Company reviewed all operations on which the Company holds royalty and stream interests to identify the impacts of COVID-19. Based on the review, COVID-19 was not considered to have a material impact on any of the Company's investments and as a result as at June 30, 2021, the Company has not recorded any adjustments directly attributable to COVID-19.

Asset Portfolio

The Company currently holds the following five royalty and stream assets:

Asset	Key Terms	Commodity	Jurisdiction	Stage	Operator
Copperstone Project	Gold stream	Gold	Arizona, USA	Near-Production ¹	Arizona Gold
Keysbrook Project	2% Gross Revenue ("GR") Royalty	Mineral Sands (Titanium, Zircon)	Western Australia, Australia	Production	Keysbrook Leucoxene Pty Ltd
Bayan Undur Project	2% Net Smelter Return Royalty	Copper, Silver	Bayankhongor, Mongolia	Advanced Exploration	Aranjin Resources Ltd.
Baavhai Uul Project	1.5% GR Royalty	Lithium (brine)	Sukhbaatar, Mongolia	Early Exploration	Ion Energy Ltd.
Lac Seul First Nation Forest Carbon Pilot Project	16% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Ontario, Canada	Development	Lac Seul First Nation, AurCrest Gold Inc., Bluesource Canada ULC
Elizabeth Metis Settlement Forest Project ²	13.5% GR Royalty	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit	Alberta, Canada	Development	Elizabeth Metis Settlement, Bluesource Canada ULC

¹ Copperstone's operational restart is expected to occur in late 2021 with first gold production expected in the first quarter of 2022.

² Acquired subsequent to June 30, 2021.

Review of Financial Performance

Revenue

Revenue relates to royalty income from Keysbrook. For the three and six months ended June 30, 2021, revenues were \$208,948 and \$355,020, respectively. There was no revenue for the comparative periods in 2020.

Depletion

Depletion expense relates to the Company's royalty on the Keysbrook project. For the three and six months ended June 30, 2021, depletion expenses were \$152,741 and \$260,420, respectively. There was no depletion expense for the comparative periods in 2020.

Operating expenses

Operating expenses for the three and six months ended June 30, 2021 totaled \$717,296 and \$1,676,526, respectively, compared to \$106,611 and \$195,584, respectively, for the comparative periods in 2020. The following table provides a breakdown of total operating expenses incurred for the three and six month periods:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Marketing and shareholder communications	\$ 37,127	\$ 1,367	\$ 78,053	\$ 1,367
Management compensation	224,425	86,737	445,716	165,017
Office and miscellaneous	35,029	12,691	50,951	14,784
Professional fees	111,058	5,487	396,218	12,483
Share-based compensation	281,876	-	636,031	-
Transfer agent and filing fees	27,781	329	69,557	1,933
Total operation expenses	\$ 717,296	\$ 106,611	\$ 1,676,526	\$ 195,584

Total operating expenses increased for the three and six months ended June 30, 2021 compared to the comparative periods in 2020 due to increase in public company costs upon the Company's listing on the TSX Venture Exchange in February 2021.

Management compensation increased during the three and six months ended June 30, 2021 compared to the comparative period in 2020 due to an increase in headcount.

Share-based compensation relates to amortization of stock options and RSUs for the three and six months ended June 30, 2021. The Company recorded share-based compensation of \$474,338 and \$161,693, respectively, in relation to the stock options and RSUs granted.

Other income/(loss)

Other income/(loss) comprised of interest income and foreign exchange losses. The following table provides a breakdown for the three and six month periods:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Interest income	\$ 26,462	\$ 1,915	\$ 30,447	\$ 1,915
Foreign exchange loss	(107,431)	-	(120,872)	-
Other income/(loss)	\$ (80,969)	\$ 1,915	\$ (90,425)	\$ 1,915

Summarized Quarterly Financial Information

The following table presents a summary of the Company's quarterly results of operations for each of its last four quarters. Prior to becoming a reporting issuer, the Company did not prepare quarterly financial statements other than the Company's interim financial statement for the three and nine months ended September 30, 2020. As such, no quarterly financial information is available other than information disclosed in the below table.

	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Revenue	\$ 208,948	\$ 146,072	\$ 9,801	\$ -
Net loss	(742,058)	(930,293)	(471,550)	(135,365)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.01)
Cash flow from operating activities	(307,975)	(373,689)	(373,193)	(95,504)
Cash flow from investing activities	-	(6,008,911)	(9,623,480)	(53,855)
Cash flow from financing activities	-	19,399,650	(277,577)	11,253,213
Total assets	31,866,343	31,748,808	12,722,912	12,883,421

The increase in assets in Q1 2021 was a result of net proceeds from the completion of the Company's initial public offering and the partial exercise of the over-allotment option by the syndicate of underwriters.

The increase in revenue was due to Keysbrook becoming a producing asset for the Company. Royalty payment from Keysbrook commenced in Q4 2020.

The increase in quarterly net loss during the first half of 2021 in comparison to the quarterly net loss during the second half of 2020 was due to increased general and administrative expenditures upon the Company becoming a reporting issuer.

Use of Proceeds from Financing

During the first quarter of 2021, the Company completed an initial public offering for gross proceeds of \$21,206,052 (CAD\$26,761,083) (net proceeds \$19,393,851), which included a partial exercise of the over-allotment option by the syndicate of underwriters.

The following table illustrates the intended use of the net proceeds of the initial public offering (with the net proceeds from the over-allotment exercised by the syndicate of underwriters allocated for working capital and general corporate purposes):

Use of proceeds	Approximate amounts
Payment of tranche 2 and 3 in respect of the Copperstone transaction	\$12,000,000
Working capital and general corporate purposes	\$7,393,851
Total	\$19,393,851

The Company has made the tranche 2 payment of \$6,000,000 to Arizona Gold in February 2021, pursuant to the Streaming Agreement. The tranche 3 (final instalment) payment of \$6,000,000 will be payable to Arizona Gold subject to certain closing conditions.

Balance Sheet Review

	June 30, 2021	December 31, 2020
Assets	\$ 31,866,343	\$ 12,619,540
Liabilities	268,818	134,835
Shareholders' equity	31,597,525	12,484,705

Assets

Total assets were \$31,866,343 at June 30, 2021 compared to \$12,619,540 at December 31, 2020. The Company's asset base is comprised primarily of royalty and stream interests and cash and cash equivalents. The increase in assets reflects primarily an increase in cash and cash equivalents from the proceeds received from the initial public offering and additions in royalty and stream interests relating to the Copperstone asset.

Liabilities

Total liabilities at June 30, 2021 comprise \$268,818 of accounts payable and accrued liabilities. The increase in liabilities reflects mainly the timing of payments.

Shareholders' equity

Shareholders' equity increased by \$19,112,820 at June 30, 2021 compared to December 31, 2020, reflecting primarily the net proceeds from the initial public offer in February 2021 and the over-allotment exercised by the syndicate of underwriters in March 2021 (see "Use of Proceeds from Financing" section).

Liquidity and Capital Resources

The Company completed its listing on the TSX Venture Exchange ("TSX-V") during the first quarter of 2021 and raised additional financing for gross proceeds of \$21,206,052 (CAD\$26,761,083). As at June 30, 2021, the Company had a working capital balance of \$15,107,320. This balance included cash and cash equivalents of \$14,929,916 (December 31, 2020 - \$1,988,993), receivables of \$327,946 (December 31, 2020 - \$164,017) and prepaids of \$118,275 (December 31, 2020 - \$120,106) to settle current liabilities of \$268,817 (December 31, 2020 - \$134,835). The Company made the second installment payment of \$6,000,000 in February 2021 to Arizona Gold pursuant to the Copperstone streaming agreement, and anticipates making the final installment payment of \$6,000,000 upon Arizona Gold meeting certain requirements. The Company also received a \$208,947 royalty payment on Keysbrook subsequent to the quarter ended June 30, 2021. Although the Company has not generated substantial income and has accumulated a deficit during the six months ended June 30, 2021, we believe that the cash balance will be sufficient to fund operations and commitments as required.

To maintain liquidity in the future, the Company continues to investigate additional royalty and stream interests and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares and warrants. As noted previously in the MD&A, the Company has filed a base-shelf prospectus on April 15, 2021 which will allow flexibility for the Company to raise capital for the acquisition of larger-size royalty and stream interests when opportunities arise. 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 that such financing will be available in the future or be available on terms acceptable to the Company.

Operating Activities

Net cash used for operating activities for the six months ended June 30, 2021 was \$678,803 compared to \$111,639 for the same period in 2020. The increase in net cash used for operating activities was due mainly

to an increase in management compensation, professional fees and other general and administrative costs as the Company scaled up its business operations.

Investing Activities

Net cash used in investing activities was \$6,008,911 for the six months ended June 30, 2021 and primarily consisted of the second tranche payment to Arizona Gold in February 2021 pursuant to the Streaming Agreement.

Financing Activities

Net cash received from financing activities was \$19,399,650 for the six months ended June 30, 2021, comprised primarily of the net proceeds from the initial public offering in February 2021 and the overallotment exercised by the syndicate of underwriters in March 2021. Comparatively, financing activities for the six months ended June 30, 2020 comprised of \$1,366,628 net proceeds from private placements offset by \$292,383 repurchase of common shares that were issued as consideration in the Baavhai Uul and Bayan Undur royalty acquisitions in 2019. Refer to "Use of Proceeds from Financing" section for information relating to expected use of cash generated from financing activities.

Capital Resources

The Company has no other commitments for capital expenditures as at the date of this MD&A other than the final installment payment of \$6,000,000 to Arizona Gold pursuant to the Copperstone Gold Mine stream agreement.

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 to maximize its financial flexibility, making adjustments to it in response to changes in economic conditions and 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 party transactions, including compensation to key management personnel, for the three and six months ended June 30, 2021 and 2020 are presented in Note 8 of the condensed interim financial statements for the three and six months ended June 30, 2021 and 2020. Key management personnel include those persons 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, Chief Business Development Officer and Chief Financial Officer.

Non-IFRS and Other Measures

The Company used certain non-IFRS performance measures throughout this document. 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 71,080,837 common shares of the Company issued and outstanding, 39,421,700 warrants outstanding with an average exercise price of CAD\$1.00, 669,300 broker warrants outstanding with an average exercise price of CAD\$0.625, 3,735,000 stock options outstanding with an average exercise price of CAD\$0.70, and 1,250,005 restricted share units outstanding.

Off-Balance Sheet Arrangements

As at June 30, 2021, the Company had no off-balance sheet arrangements.

Additional Disclosure for Venture Issuers without Significant Revenue

The required disclosure on general administrative expenses is presented in the "Review of Financial Performance" section.

Significant Accounting Judgements and Estimates

The Company applied the significant accounting judgements and estimates as disclosed in Note 2 of the audited financial statements for the year ended December 31, 2020.

Change in Accounting Policies

The Company adopted the following accounting policy:

Share-based compensation

The Company grants share-based awards in the form of stock options and restricted share units ("RSUs"). The stock options and RSUs are equity-settled awards. The Company determines the fair value of the awards on the date of grant. This fair value is expensed to the statement of earnings using a graded vesting attribution method over the vesting period of the awards, with a corresponding credit to contributed surplus. When the share options or share units are exercised, the applicable amounts of contributed surplus are transferred to share capital. At the end of the reporting period, the Company updates its estimate of the number of awards that are expected to vest and adjusts the total expense to be recognized over the vesting period.

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 11 of the condensed interim financial statements for the three and six months ended June 30, 2021.

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 Project, 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.

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.

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, timelines, strategic plans, completion of the Streaming Agreement, completion of the proposed pending merger transaction between Arizona Gold and Golden Predator Mining

Corp., completion of additional drilling and sampling programs at the Baavhai Uul Project, market prices for metals 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 in light of 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 holds a royalty or streaming interest, the operation continues as a going concern;
- 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, 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 holds a royalty or stream;
- That projects not yet in production or in development included in Star Royalties' 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' expectations;
- That the completion of the Copperstone transaction will be completed in accordance with its terms, as amended;
- The impact of COVID-19 on the Company's business;
- The absence of an outbreak or escalation of infectious diseases or other similar health threats, including COVID-19, that could result in the suspension, shutdown or delay of the operations in the properties in which Star Royalties holds an interest;
- No material changes will occur with respect to Star Royalties' 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;
- 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;
- Risks related to health epidemics and pandemics including COVID-19 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;
- 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;
- Sales 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 honoured 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 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;
- 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;
- 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;
- 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;

- Star Royalties is subject to risks related to certain operations in developing economies; 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 is available under the Company's profile on SEDAR at www.sedar.com.

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) the unaudited condensed interim consolidated 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) the unaudited condensed interim consolidated 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 consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

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

The risk factors for the three and six months ended June 30, 2021 are substantially the same as those disclosed and discussed in the Company's Annual Information Form for the year ended December 31, 2020, which is available on SEDAR at www.sedar.com.