



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

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, 2021 and 2020. The MD&A takes into account information available up to, and is dated, April 12, 2022 and should be read together with the audited annual financial statements for the years ended December 31, 2021 and 2020.

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 and is presented in United States ("US") 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 Ltd. (the "Company") is a precious metals and carbon credit royalty and streaming company. The Company created the world's first carbon negative gold royalty platform through its pure-green subsidiary, Green Star Royalties Ltd. ("Green Star"), and offers investors exposure to precious metals and carbon credit prices with an increasingly negative carbon footprint. The Company's objective is to provide wealth creation by originating accretive transactions with superior alignment to both counterparties and shareholders.

The Company aims to be uniquely aligned with royalty and streaming counterparties as well as provide investors with superior risk-adjusted returns and wealth creation through asset life extension. Star Royalties specializes in bespoke and operator-friendly financing solutions, including originating, repurchasing and restructuring of royalties and streams in the precious metals and energy transition industries. 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' subsidiary, Green Star, was established to accelerate the growth of its pure-green portfolio beyond its target 80/20 precious metals/green allocation framework. Green Star's existing investments in carbon offset projects position the Company to be carbon negative by 2023. Carbon negative is defined as having attributable sequestration benefits that exceed the Company's direct CO₂ emissions from corporate activities and attributable CO₂ emissions sourced from its gold equivalent royalty and streaming ounces. Green Star's focus will be on originating new carbon credit projects in nature-based solutions (improved forest management and regenerative agriculture), renewable energies (solar, wind), as well as certain other cleantech investments.

Additionally, Star Royalties' precious metals portfolio allocation strategy 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 with a carbon negative footprint that will provide attractive risk-adjusted returns to its shareholders.

The Company's royalty and stream interests are located in the USA, Canada, Australia and Mongolia. Please refer to "*Asset Portfolio*" of this MD&A for project details.

Asset Portfolio

The Company currently holds the following royalty and stream assets:

| Asset | Key Terms | Commodity | Jurisdiction | Stage | Operator |
|---|---------------------------------------|--|------------------------------|------------------------------|--|
| Star Royalties Ltd. | | | | | |
| Elk Gold Project | 2% Net Smelter Return ("NSR") Royalty | Gold, Silver | British Columbia, Canada | Production ² | Gold Mountain Mining Corp. |
| Copperstone Project | Gold stream | Gold | Arizona, USA | Near-Production ¹ | Sabre Gold Mines 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) | Sukhbaatar, Mongolia | Early Exploration | Ion Energy Ltd. |
| Green Star Royalties Ltd. | | | | | |
| Regenerative Agriculture Carbon Offset Project | Net Revenue Sharing Royalty | Verra Verified Carbon Standard voluntary carbon offset credit | Midwestern USA | Development | Blue Source LLC |
| Elizabeth Metis Settlement Forest Carbon Offset Project | 40.5% GR Royalty | Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit | Alberta, Canada | Development | Elizabeth Metis Settlement, Bluesource Canada ULC |
| Lac Seul First Nation Forest Carbon Offset 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 |
| MOBISMART | 2.5% GR Royalty | Mobile solar power generation systems with integrated battery storage | Ontario, Canada | Operating | MOBISMART Mobile Off-Grid Power & Storage Inc. |

¹ Copperstone's operational restart is expected to occur in first-half of 2023.

² Elk Gold is in production commencing first quarter of 2022.

Corporate Developments

Green Star Royalties

On October 18, 2021, the Company announced the creation of a wholly-owned, pure-green subsidiary, Green Star Royalties Ltd.

Since its inception, Star Royalties has been committed to funding sustainable environmental solutions for a carbon neutral economy and continues to view ESG-related investments as a highly scalable business model with attractive returns. As part of its original portfolio development strategy, Star Royalties targeted a long-term 80% capital allocation to precious metals with the remaining 20% reserved for predominantly green investments, including the development of carbon offset credit projects (nature-based and renewable energies) and green technology opportunities (diesel usage displacement).

Following the overwhelmingly positive response thus far to the Company's innovative green royalty model, numerous origination opportunities, and the superior potential returns, on October 18, 2021 Star Royalties announced the creation of a new subsidiary, Green Star Royalties, with the sole purpose to accelerate the growth of its green portfolio beyond the initial limitations of its 80/20 allocation framework.

The two existing carbon offset credit royalties (Lac Seul First Nation Forest Carbon Offset Project and Elizabeth Metis Settlement Forest Carbon Offset Project) owned by Star Royalties were transferred into Green Star Royalties in a continued effort to grow its pure-green portfolio.

On March 31, 2022, the Company announced a non-brokered private placement of 15,384,620 shares of its subsidiary Green Star, at a price of CAD\$1.00 per Green Star class A share (each a "Green Star Share"). Agnico Eagle Mines Limited ("Agnico Eagle") has agreed to purchase 14,134,620 Green Star Shares for an aggregate purchase price of CAD\$14,134,620. The Company's management team and Board of Directors have agreed to concurrently purchase the remaining 1,250,000 Green Star Shares for an aggregate purchase price of CAD\$1,250,000.

Upon completion of this private placement, expected in April 2022, Green Star will be owned in the approximate amounts as follows: 61.9% by Star Royalties; 35% by Agnico Eagle; and 3.1% by the Company's management team and Board of Directors.

Agnico Eagle is a senior Canadian gold mining company and is recognized globally for its leading environmental, social and governance practices. It is strongly aligned with the Company's values and philosophy on sustainability, making it an excellent strategic investor in Green Star. The strategic investment by Agnico Eagle provides Green Star with a cornerstone shareholder, a significant recognition of value for the Company, and a pathway to rapidly grow Green Star's critical mass.

Management anticipate that Agnico Eagle's strategic involvement will lead to an acceleration in Green Star's growth trajectory and will allow Green Star to originate, fund and participate in larger green opportunities. A more scalable build-out of the green investment strategy would allow Green Star to leverage its strong relationships and first-mover advantage to become the partner of choice in originating green and carbon offset credit royalties, as well as attract capital from both generalist and ESG-focused investors.

The Company's current vision is to use existing management, infrastructure and oversight to grow Green Star Royalties at a minimal cost as a private subsidiary and, subject to market conditions, unlock additional value when an appropriate public market valuation is achieved.

Green Star's strategic goal is to differentiate itself as the quality leader in nature-based carbon solutions based on its focus of project origination, strong governance and social commitment, cash flow emphasis, high quality project parameters, tangible pipeline of scalable, North American opportunities and lower overall risk profile. The company plans to leverage its strong relationships and alignment with Blue Source LLC ("Bluesource") and Agnico Eagle to accomplish this strategic goal.

Asset acquisitions – carbon credits and green portfolio

In April 2022, the Company, through its wholly-owned subsidiary, Green Star, entered into a fourfold expansion of its agreement with Blue Source, LLC, originally entered into in December 2021, to create premium, verified carbon offset credits that will reward the adoption of regenerative agriculture practices by North American farmers. Under the amended agreement, Green Star will be financing a regenerative agriculture carbon program being developed and managed by Bluesource for total contribution of \$20,625,000 in cash. Cash will be available to growers in this program through Locus Agricultural Solutions' ("Locus AG") CarbonNOW program. Locus AG will be actively recruiting growers under this project until a total of 1,320,000 acres of farmland across the United States have been adopted into the program. The Company expects initial funding of \$5,000,000 to commence in the second quarter of 2022, with the remaining \$15,625,000 to be invested in 2023. The total investment of \$20,625,000 will be funded by the private placement as announced in March 2022 and future financing. This project investment has a term of 11.5 years and the future financial benefits derived from the monetization of the project's carbon offset credits will be split between the growers, Bluesource, and the Company. The program expects to generate revenues from an average of over 2,000,000 carbon offset credits per annum, which will be available for sale in the voluntary carbon marketplace. Green Star expects to generate cash flow equivalent to over 200,000 attributable carbon offset credits in 2024, and increase to over 400,000 attributable carbon offset credits per annum starting in 2025.

In January 2022, the Company through its wholly owned subsidiary Green Star, acquired a 2.5% gross revenue royalty on all current and future gross revenues and any potential business divestment revenues from MOBISMART Mobile Off-Grid Power and Storage Inc. ("MOBISMART") for total cash consideration of CAD\$300,000. The royalty has a term of 15 years and the Company has granted MOBISMART an initial payment holiday on the royalty, where the first payment of the royalty, calculated from the closing date, will

occur no later than January 2023. The Company also granted MOBISMART a royalty repurchase provision, whereby MOBISMART, at its sole election and in connection with a potential go-public event, will have the right to repurchase the royalty in its entirety for CAD\$10,000,000 in cash, or partially on a pro rata basis. MOBISMART, at its sole election and only after five years have elapsed since the completion of its potential go-public event, will have the additional right to repurchase any part of the royalty not already repurchased during its go-public event, on the same pro rata basis.

In January 2022, the Company acquired an additional 27% gross revenue royalty on Elizabeth Metis Settlement's ("EMS") revenue share from the creation and sale of carbon offset credits from forested lands located in Elizabeth Metis Settlement (the "EMS Forest Project") in Alberta, Canada for \$475,587 (CAD\$600,000) in cash. The gross revenue royalty covers the entire EMS Forest Project and has a term of the earlier of: 1) 10 years commencing on the date EMS receives any gross revenue from the monetization of carbon offset credits, or 2) the gross revenue royalty agreement's execution date until the first 225,000 carbon offset credits are issued and sold in connection with the EMS Forest Project. In combination with the Company's previously acquired 13.5% gross revenue royalty in July 2021, the Company now owns an effective 40.5% gross revenue royalty on the EMS Forest Project.

In July 2021, the Company executed a definitive royalty purchase agreement and gross revenue royalty agreement with 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 the EMS Forest Project for a total consideration of \$238,569 (CAD\$300,000) in cash.

Assets acquisitions – precious metals portfolio

In September 2021, the Company executed a definitive royalty purchase agreement with Almadex Minerals Ltd. ("Almadex") to acquire an existing 2% net smelter return royalty on the Elk Gold Mine ("Elk Gold") located in British Columbia, Canada and owned and operated by Gold Mountain Mining Corp. ("Gold Mountain") for total consideration of \$10,000,000 in cash, 1,659,304 common shares valued at \$574,249 (CAD\$730,094) and 829,652 common share purchase warrants valued at \$57,659 (CAD\$73,307). Each common share purchase warrant will be exercisable at CAD\$0.70 until September 29, 2023.

In February 2021, the Company made a tranche payment of \$6,000,000 pursuant to the Copperstone gold purchase and sale agreement (the "Streaming Agreement") dated November 11, 2020, as amended on April 29, 2021 with Sabre Gold Mines Corp. ("Sabre Gold") (formerly Arizona Gold Corp.).

Initial public offering

In February 2021, the Company completed its initial public offering of 34,286,000 units of the Company at a price of CAD\$0.70 per unit for gross proceeds of \$18,974,650 (CAD\$24,000,200). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of CAD\$1.00 per common share until February 19, 2024.

In March 2021, the syndicate of underwriters for the Company's initial public offering exercised a portion of the over-allotment option granted to them. As a result of the exercise, the Company issued an additional 3,769,500 common shares at a price of CAD\$0.611 per common share and 5,142,900 warrants at a price of CAD\$0.089 per warrant for combined gross proceeds of \$2,178,545 (CAD\$2,760,883).

Share-based compensation

In February 2022, 625,000 stock options and 1,215,000 restricted share units ("RSUs") were granted to officers and directors of the Company. The stock options granted have a ten year term and vest over three years in equal portions on the anniversary of the grant date. The RSUs granted are vested over three years in equal portions on the anniversary of the grant date.

In February 2021, 3,735,000 stock options and 1,250,005 RSUs were granted to officers and directors of the Company. The stock options granted have a ten year term and vest over three years with 25% being vested on the grant date and 25% on each anniversary of the grant date. The RSUs granted are vested over three years in equal portions on the anniversary of the grant date.

Significant Portfolio Updates

Copperstone Gold Project

On August 25, 2021, Sabre Gold announced that shareholders of both Arizona Gold Corp. and Golden Predator Mining Corp. ("Golden Predator") overwhelmingly approved all matters voted on at special meetings of their respective shareholders, including shareholders of Golden Predator approving the proposed merger of Golden Predator and Arizona Gold to form Sabre Gold. The British Columbia Supreme Court issued the final order approving the merger on August 31, 2021. On September 2, 2021, the merger was completed and Sabre Gold's common shares commenced trading on the Toronto Stock Exchange with the new trading symbol "SGLD" at the opening of trading on September 8, 2021.

On September 21, 2021, Sabre Gold announced updated mineral resources at Copperstone. These highlights included:

- 23% increase in gold ounces in all categories.
- 53% increase in Measured Resources to 196,000 ounces in 806,000 tonnes at 7.6 g/t.
- 45% increase in Inferred Resources to 212,000 ounces in 1,124,000 tonnes at 5.9 g/t.
- Underground mapping and sampling confirmed that the mineralized domains occur where previously modelled while drilling continued to demonstrate continuity in mineralization within mineralized domains and delimited some domain edges where step-out holes were drilled.
- Capping of very high-grade intercepts were distinct for each mineralized domain and based on conservative detailed statistical analysis which could provide potential further resource upside.

An updated National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report titled "Updated Mineral Resource Estimate for the Copperstone Project, La Paz County, Arizona, USA" was filed in October 2021, supporting the above noted results.

On October 13, 2021, Sabre Gold provided an update on the pre-construction and engineering activities at Copperstone:

- **Mine Engineering:** Sabre Gold engaged Mine Development Associates of Reno, Nevada to prepare final mine designs and production scheduling. The purpose of this work was to optimize ore sequencing and haulage profiles associated with the new resource model. A full estimation of mining costs and initial capital costs would be completed as well. Underground electrical power needs and infrastructure requirements were completed and incorporated into the overall project schedule.
- **Mine Operations:** Sabre Gold completed most of the necessary rehabilitation in the first quarter of 2021. Additional pre-production rehabilitation was scheduled for the fourth quarter of 2021 in preparation for the final definition drilling in October and subsequent full mine production in 2022. Several mining contractors had been engaged in a formal tender process in preparation for mine development quotes. A comprehensive list of pre-qualified contractors had been developed and RFQ's were scheduled to be extended by late October, with final selection in November.
- **Mineral Processing:** The original flotation circuit had been dismantled and removed to make room for the construction of the new whole ore leach ("WOL") facility. A complete evaluation of the existing infrastructure was performed and included in the project scope.

Detailed engineering of the modifications to the existing mill and expansion of the new WOL facility had been brought to 60% completion by Hanlon Engineering and included initial plant layout, tank and thickener sizing, and a revised capital estimate. Final detailed engineering and plant layout was pending final metallurgical testing derived from the final mine plan.

Long-lead items such as the ball mill feed chute, ball mill liners and a replacement cone crusher had been ordered by Sabre Gold. The Merrill Crowe unit and other WOL plant equipment were also ordered in October 2021.

On February 15, 2022, Sabre Gold announced positive underground drilling results at Copperstone. Drilling highlights included:

- RC P2C33 6.0m at 13.4 g/t including 3.0m at 21.6 g/t
- RC P2C38 4.5m at 14.5 g/t including 3.0m at 20.7 g/t
- Core P2C04C 8.1m at 8.5 g/t including 0.7m at 48.8 g/t
- Core P2C03C 4.6m at 10.3 g/t including 0.8m at 39.5 g/t
- RC P2D84 12.2m at 8.0 g/t
- RC P2B17 1.5m at 16.5 g/t

On February 23, 2022, Sabre Gold provided a Copperstone update and indicated that significant progress had been made with detailed mine planning, process engineering and mine-rehabilitation. These efforts were a continuation of earlier work completed to prepare the fully permitted mine for start-up and progression to full production. A comprehensive detailed mine plan and production schedule was completed by Mine Development Associates in Reno, Nevada that defined stopes and production areas for the initial five years of mine-life. The mine plan indicated annual production of approximately 40,000 to 45,000 ounces per annum while demonstrating favourable economics including future expected conversion of additional resources based on the open extent nature of both the Copperstone and Footwall zones. Years 5 to 13 are scheduled to produce from areas that currently have inferred resources and yet un-delineated extensions of the existing resources. Sabre Gold's cash flow model included the required excavation of drill platforms as operational headings advance and the associated drilling required to identify, confirm and define mineable areas.

Sabre Gold further stated that they continue to make significant progress at Copperstone in preparation of start-up with progression to full production in the near term now only subject to project funding. Definition drilling and results to date are continuing to show strong grades and continuity while adding further confidence to the updated geological model and detailed mine plan. Estimated project capital for the restart of Copperstone remains in line with previous estimates as they continue to advance discussions with project lenders as well as other key stakeholders with an update on project funding to be provided in Q2 2022.

On March 1, 2022, March 24, 2022 and March 31, 2022, Sabre Gold provided additional positive underground drill results at Copperstone. Drilling highlights included:

- RC P6F58 4.6m at 26.9 g/t including 3.0m at 38.5 g/t
- RC P2E93 6.0m at 15.5 g/t including 3.0m at 26.5 g/t
- RC P2C26 3.0m at 19.7 g/t
- RC P2A06 3.0m at 18.6 g/t
- RC P2C34 3.0m at 19.7 g/t
- RC P2C29 3.0m at 15.0 g/t
- RC P2F95 10.7m at 14.3 g/t includes 1.5m at 74.1 g/t
- RC P2F61 3.0m at 12.0 g/t includes 1.5m at 19.6 g/t
- RC P2E50 1.5m at 17.1 g/t
- RC P2F64 1.5m at 9.5 g/t
- RC P2D47 4.6m at 16.9 g/t includes 1.5m at 47.6 g/t
- Core P2F06 3.4m at 5.4 g/t includes 0.8m at 17.8 g/t
- RC P2C32 4.6m at 8.4 g/t
- RC P2C36 1.5m at 29.1 g/t
- RC P2G69 3.0m at 7.9 g/t
- RC P2G73 3.0m at 9.5 g/t includes 1.5m at 16.4 g/t
- RC P2H101 3.0m at 9.0 g/t
- Core P3B03 2.6m at 14.2 g/t includes 0.9m at 30.6 g/t

Elk Gold Project

On November 9, 2021, Gold Mountain announced that it had mined the first significant mineralized material at Elk Gold. Gold Mountain exposed its 1100 vein system located on the footwall of historic pit 2, and will crush, weigh and assay the material prior to sending it to its ore purchase partner, New Gold Inc. ("New

Gold”), to be processed at New Gold’s New Afton processing plant.

On November 16, 2021 and on December 1, 2021, Gold Mountain announced positive drill results. Drilling highlights included:

- 1.3m grading 10.59 g/t Au including 0.3m of 45.60 g/t Au
- 1.1m grading 17.54 g/t Au including 0.5m of 31.10 g/t Au
- 0.9m grading 14.59 g/t Au including 0.3m of 21.30 g/t Au
- 1.4m grading 5.85 g/t Au including 0.4m of 19.30 g/t Au
- 2.4m grading 20.2 g/t Au including 0.4m of 127.0 g/t Au
- 1.3m grading 6.87 g/t Au including 0.3m of 28.6 g/t Au
- 1.3m grading 4.48 g/t Au including 0.3m of 19.4 g/t Au
- 1.3m grading 4.25 g/t Au including 0.3m of 18.4 g/t Au

On December 7, 2021, Gold Mountain announced an updated Mineral Resource estimate following the conclusion of its Phase 2 drill programs at Elk Gold. These highlights included:

- Measured and Indicated Resources at Elk Gold increased by 24% to 806,000 gold equivalent (“AuEq”) ounces in 4,359,000 tonnes at 5.8 g/t AuEq, and Inferred Resources increased by 65% to 262,000 AuEq ounces in 1,497,000 tonnes at 5.4 g/t AuEq, for a total 32% increase in AuEq ounces across all mineral resource categories. 37 new diamond drill holes were completed in the Siwash North Zone which incrementally expanded the vein models along strike and down dip and connected the Siwash North Zone with the Gold Creek Zone which was historically viewed as a satellite deposit.
- 10 diamond drill holes were completed in the Lake and South Zones leading to maiden Mineral Resource estimates in the two satellite deposits which demonstrate the multiple-zone potential for the Elk Gold Project.
- This update to the mineral resources followed the Company's successful Phase 2 drill program that consisted of 13,900 metres of diamond drilling where all 47 holes hit mineralization.

An updated National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) Technical Report titled “Technical Report and Resource Update of the Elk Gold Project, Merritt, British Columbia, Canada” was filed in January 2022, supporting the above noted results.

On February 3, 2022, Gold Mountain announced that it has completed its first delivery of ore to New Gold’s New Afton processing plant. The material was mined from the Elk’s 1300 vein, located at the footwall of historic Pit 2, which was last mined from 2012 to 2014 at an average gold grade of 16.7 g/t. Under its ore purchase agreement, Gold Mountain will deliver to New Gold 70,000 tonnes of high-grade ore per annum in years 1-3 and then up to 350,000 tonnes per annum in years 4-11. The metal payable split from the ore purchase agreement is 89% to Gold Mountain and 11% to New Gold. The OPA allows Gold Mountain to be paid on a monthly basis for all ore delivered.

On February 15, 2022, Gold Mountain announced the discovery of a new high-grade gold system in the Elusive Zone, located 5km southwest of the Siwash North gold resource. These diamond drill intercepts, including hole SND21-051 of 2.07m grading 51.15 g/t Au, confirm the presence of multiple high-grade zones.

On March 22, 2022, Gold Mountain announced that it has received payment for its first-month of ore delivery to New Gold.

Corporate Strategy

The Company is focused on originating bespoke royalties and streams with the intent of optimizing 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. 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/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 operators 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. To date, 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.

On March 11, 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. The COVID-19 pandemic has negatively impacted the Canadian, U.S., and global economies; disrupted Canadian, U.S., and global supply chains; disrupted financial markets; contributed to a decrease in interest rates; resulted in ratings downgrades, credit deterioration and defaults in many industries; forced the closure of many businesses, led to loss of revenues, increased unemployment and bankruptcies; and necessitated the imposition of quarantines, physical distancing, business closures, travel restrictions, and sheltering-in-place requirements in Canada, the U.S., and other countries. If the pandemic is prolonged, including through subsequent waves, or if additional variants of COVID-19 emerge which are

more transmissible or cause more severe disease, or if other diseases emerge with similar effects, the adverse impact on the economy could worsen. Moreover, it remains uncertain how the macroeconomic environment, and societal and business norms will be impacted following this COVID-19 pandemic. Unexpected developments in financial markets, regulatory environments, or consumer behaviour may also have adverse impacts on our results, business, financial condition or liquidity, for a substantial period of time.

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.

COVID-19 has also created additional operational risks for us, including the need to provide enhanced safety measures for our employees and customers; comply with rapidly changing regulatory guidance; address the risk of, attempted fraudulent activity and cybersecurity threat behaviour; and protect the integrity and functionality of our systems, networks, and data as a larger number of our employees work remotely. We are also exposed to human capital risks due to issues related to health and safety matters, and other environmental stressors as a result of measures implemented in response to COVID-19, as well as the potential for a significant proportion of our employees, including key executives, to be unable to work effectively, because of illness, quarantines, sheltering-in-place arrangements, government actions or other restrictions in connection with the pandemic.

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 December 31, 2021, the Company has not recorded any adjustments directly attributable to COVID-19.

Review of Financial Performance

Three months ended December 31, 2021 and 2020

Revenue

Revenue for the fourth quarter of 2021 totaled \$111,143 compared to \$9,801 for the comparative period in 2020. Revenue relates to royalty income from Keysbrook, which became a producing asset to the Company in the fourth quarter of 2020.

Depletion

Depletion expense for the fourth quarter of 2021 totaled \$52,970 compared to \$5,458 for the comparative period in 2020. Depletion relates to the Company's royalty on the Keysbrook project.

Operating expenses

Operating expenses for the fourth quarter of 2021 totaled \$525,711 compared to \$273,406 for the comparative period in 2020. The following table provides a breakdown of total operating expenses incurred for the three months ended December 31, 2021 and 2020:

| | Three months ended December 31, 2021 | Three months ended December 31, 2020 |
|--|---|---|
| Marketing and shareholder communications | \$ 81,286 | \$ 9,356 |
| Management compensation | 239,072 | 57,981 |
| Office and miscellaneous | 50,035 | 5,507 |
| Professional fees | 52,514 | 200,562 |
| Share-based compensation | <u>102,804</u> | <u>-</u> |
| Total expenses | <u>\$ 525,711</u> | <u>\$273,406</u> |

Total operating expenses increased for the fourth quarter of 2021 compared to the comparative period in 2020 due to increase in public company costs upon the Company's listing on the TSX Venture Exchange (the "TSX-V") in February 2021.

Management compensation (excluding share-based compensation) increased during the fourth quarter of 2021 compared to the comparative period in 2020 mainly due to an increase in headcount.

Share-based compensation relates to amortization of stock options and RSUs that were granted to management and board of directors of the Company in February 2021.

Other income/(loss)

Other income/(loss) comprised of interest income and foreign exchange income/(loss). The following table provides a breakdown for the three months ended December 31, 2021 and 2020:

| | Three months ended December 31, 2021 | Three months ended December 31, 2020 |
|--------------------------------|---|---|
| Interest income | \$ 3,839 | \$ 1,274 |
| Foreign exchange income/(loss) | <u>31,280</u> | <u>(205,035)</u> |
| Other income/(loss) | <u>\$ 35,119</u> | <u>\$ (203,761)</u> |

Years ended December 31, 2021 and 2020

Revenue

Revenue for 2021 totaled \$691,621 compared to \$9,801 for 2020. Revenue relates to royalty income from Keysbrook, which became a producing asset to the Company in the fourth quarter of 2020.

Depletion

Depletion expense for 2021 totaled \$625,205 compared to \$5,458 for 2020. Depletion relates to the Company's royalty on the Keysbrook project.

Operating expenses

Operating expenses for 2021 totaled \$2,894,725 compared to \$533,248 for 2020. The following table provides a breakdown of total operating expenses incurred for 2021 and 2020:

| | Year ended December 31, 2021 | Year ended December 31, 2020 |
|--|---------------------------------|---------------------------------|
| Marketing and shareholder communications | \$ 203,275 | \$ 12,065 |
| Management compensation | 910,035 | 268,633 |
| Office and miscellaneous | 246,925 | 28,033 |
| Professional fees | 601,445 | 224,517 |
| Share-based compensation | <u>933,045</u> | <u>-</u> |
| Total expenses | <u>\$ 2,894,725</u> | <u>\$ 533,248</u> |

Total operating expenses increased for 2021 compared to 2020 due to increase in public company costs upon the Company's listing on the TSX-V in February 2021.

Management compensation (excluding share-based compensation) increased during 2021 compared to 2020 due to an increase in headcount.

Share-based compensation relates to amortization of stock options and RSUs that were granted to management and board of directors of the Company in February 2021.

Other income/(loss)

Other income/(loss) comprised of interest income and foreign exchange income/(loss). The following table provides a breakdown for the three months ended December 31, 2021 and 2020:

| | Year ended December 31, 2021 | Year ended December 31, 2020 |
|--------------------------------|---------------------------------|---------------------------------|
| Interest income | \$ 48,401 | \$ 3,499 |
| Foreign exchange income/(loss) | <u>110,626</u> | <u>(274,487)</u> |
| Other income/(loss) | <u>\$ 159,027</u> | <u>\$ (270,988)</u> |

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 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|-------------------------------------|-------------|--------------|------------|-------------|
| Revenue | \$ 111,143 | \$ 225,458 | \$ 208,948 | \$ 146,072 |
| Net loss | (431,879) | (457,238) | (805,293) | (974,872) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.01) | (0.02) |
| Cash flow from operating activities | (206,278) | (92,758) | (305,114) | (500,758) |
| Cash flow from investing activities | - | (10,312,780) | - | (6,008,911) |
| Cash flow from financing activities | - | - | - | 19,527,719 |
| Total assets | 31,216,617 | 31,610,006 | 31,803,108 | 31,704,229 |
| | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
| Revenue | \$ 9,801 | \$ - | \$ - | \$ - |
| Net loss | (471,550) | (135,365) | (104,696) | (88,793) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.01) | (0.01) |
| Cash flow from operating activities | (373,193) | (95,504) | (52,522) | (59,117) |
| Cash flow from investing activities | (9,623,480) | (53,855) | (125,807) | (796) |
| Cash flow from financing activities | (277,577) | 11,253,213 | 5,673 | 1,068,572 |
| Total assets | 12,722,912 | 12,883,421 | 12,619,540 | 12,619,540 |

The increase in assets in Q1 2021 was a result of net proceeds from the completion of the Company's initial public offering (the "IPO") and the partial exercise of the over-allotment option by the syndicate of underwriters. The increase in revenue in 2021 was due to Keysbrook becoming a producing asset for the Company. Royalty payments from Keysbrook commenced in Q4 2020. The increase/decrease in net loss from quarter to quarter is dependent on quarterly revenue in comparison to the quarterly operating expenses.

Net loss and Total assets for Q1 2021, Q2 2021 and Q3 2021 were recast to correct immaterial errors relating to an understatement of depletion expenses in those periods.

Selected Annual Financial Information

| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|----------------------------------|----------------------|----------------------|----------------------|
| Total assets | \$ 31,216,617 | \$ 12,619,540 | \$ 708,623 |
| Financial liabilities | 435,723 | 134,835 | 112,541 |
| Working capital ¹ | 4,069,321 | 2,138,281 | 298,372 |
| Shareholders' equity | 30,780,894 | 12,484,705 | 596,082 |
| Total revenue | 691,621 | 9,801 | - |
| Net loss | (2,669,282) | (799,893) | (106,150) |
| Basic and diluted loss per share | (0.04) | (0.05) | (0.01) |

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

Use of Proceeds from Financing

During the first quarter of 2021, the Company completed an IPO for gross proceeds of \$21,153,195 (CAD\$26,761,083) (net proceeds \$19,394,851), which included a partial exercise of the over-allotment option by the syndicate of underwriters.

The Company intends to use its available funds to meet its planned growth and development activities and, as of the date of this MD&A, there have not been, and the Company does not anticipate, any changes to its previously made disclosure about the Company's intended use of proceeds except as described below.

The following table illustrates: (i) the intended use of the net proceeds of the IPO (with the net proceeds from the over-allotment exercised by the syndicate of underwriters allocated for working capital and general corporate purposes); and (ii) the current estimated use of proceeds from the IPO as at December 31, 2021:

| Use of proceeds | Prior estimated amounts as at February 12, 2021 | Current estimated amounts as at December 31, 2021 |
|--|--|--|
| Payment of tranche 2 in respect of the Copperstone transaction | \$6,000,000 | \$6,000,000 |
| Payment of tranche 3 in respect of the Copperstone transaction | \$6,000,000 | Nil |
| Payment in respect of the Elk Gold Project | N/A | 10,000,000 |
| Working capital and general corporate purposes | \$7,393,851 | \$3,393,851 |
| Total | \$19,393,851 | \$19,393,851 |

The Company made the tranche 2 payment of \$6,000,000 to Sabre Gold in February 2021, pursuant to the purchase and sale agreement in respect of the Copperstone asset (the "Streaming Agreement") with Sabre Gold. On June 28, 2021, the Streaming Agreement was amended whereby the previously defined final tranche payment date was removed and was replaced by certain closing conditions having to be met by Sabre Gold. In September 2021, the Company acquired a 2% net smelter royalty on Elk Gold using cash proceeds of \$10,000,000. In February 2022, Gold Mountain Mining Corp. announced that it has completed first delivery of ore to New Gold's New Afton processing plant. Royalty income from the Elk Gold Project is expected to commence in the first half of 2022.

Balance Sheet Review

| | December 31, 2021 | December 31, 2020 |
|----------------------|----------------------|----------------------|
| Assets | \$ 31,216,617 | \$ 12,619,540 |
| Liabilities | 435,723 | 134,835 |
| Shareholders' equity | 30,780,894 | 12,484,705 |

Assets

Total assets were \$31,216,617 at December 31, 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 IPO and additions in royalty and stream interests relating to the Copperstone and Elk Gold assets.

Liabilities

Total liabilities at December 31, 2021 comprise \$435,723 of accounts payable and accrued liabilities. The increase in liabilities reflects mainly the timing of payments.

Shareholders' equity

Shareholders' equity increased by \$18,296,189 at December 31, 2021 compared to December 31, 2020, reflecting primarily the net proceeds from the IPO in February 2021 and the over-allotment exercised by the syndicate of underwriters in March 2021 (see "Use of Proceeds from Financing" of this MD&A).

Liquidity and Capital Resources

The Company completed its IPO on the TSX-V during the first quarter of 2021 and raised additional financing for gross proceeds of \$21,153,195 (CAD\$26,761,083). As at December 31, 2021, the Company had a working capital¹ balance of \$4,069,321. This balance included cash and cash equivalents of \$4,160,206 (December 31, 2020 - \$1,988,993), receivables of \$283,472 (December 31, 2020 - \$164,017) and prepaids of \$61,366 (December 31, 2020 - \$120,106) to settle current liabilities of \$435,723 (December 31, 2020 - \$134,835). The Company made the second installment payment of \$6,000,000 in February 2021 to Sabre Gold pursuant to the Streaming Agreement. The Company also received payment of \$691,621 in respect of the Keysbrook royalty for the year ended December 31, 2021. On September 30, 2021, the Company acquired a 2% net smelter royalty for Elk Gold and expects royalty income to commence in the first half of 2022. In March 2022, the Company announced a non-brokered private placement for expected gross proceed of CAD\$15,384,620.

Although the Company has not generated substantial income and has accumulated a deficit during the year ended December 31, 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. 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.

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

Operating Activities

Net cash used for operating activities in 2021 was \$1,104,908 compared to \$578,540 in 2020. The increase in net cash used for operating activities was due mainly to an increase in operating expenses as the Company scaled up its business operations, offset by the royalty income from Keysbrook.

Investing Activities

Net cash used in investing activities was \$16,321,691 in 2021 and primarily consisted of the second tranche payment of \$6,000,000 to Sabre Gold in February 2021 pursuant to the Streaming Agreement and the \$10,000,000 paid to Almadex in September 2021 for the acquisition of the 2% net smelter royalty on Elk Gold.

Financing Activities

Net cash received from financing activities was \$19,527,719 in 2021, comprised primarily of the net proceeds from the IPO in February 2021 and the over-allotment exercised by the syndicate of underwriters in March 2021. Comparatively, financing activities were \$12,053,714 in 2020, comprised of net proceeds from private placements. Refer to “*Use of Proceeds from Financing*” of this MD&A for information relating to expected use of cash generated from financing activities.

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 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, are presented in Note 9 of the audited annual consolidated financial statements. 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 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 73,156,806 common shares of the Company issued and outstanding, 39,421,700 publicly traded warrants outstanding with an average exercise price of CAD\$1.00, 829,652 share

purchase warrants outstanding with an average exercise price of CAD\$0.70, 4,360,000 stock options outstanding with an exercise price range of CAD\$0.60 to CAD\$0.70, and 2,048,340 RSUs outstanding.

Off-Balance Sheet Arrangements

As at December 31 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 of this MD&A.

Critical Accounting Judgements and Estimates

The Company applied the critical accounting judgements and estimates as disclosed in Note 4 of the audited annual consolidated financial statements for the year ended December 31, 2021.

Change in Accounting Policies

The change in accounting policies is disclosed in Note 5 of the audited annual consolidated financial statements for the year ended December 31, 2021.

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 13 of the audited annual consolidated financial statements.

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 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 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 Sabre Gold Mines Corp.), and filed under Sabre Gold's SEDAR profile on May 22, 2018.
- “NI 43-101 Technical Report, Updated Mineral Resource Estimate for the Copperstone 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., and filed under Sabre Gold's SEDAR profile on October 19, 2021.
- “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 June 21, 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.
- “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.

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; operational, strategic and supply chain timelines; strategic plans; future carbon negative positions; future financial position; targeted cash flow positions; access to capital; the ability to raise additional capital and complete future financings; completion of the Streaming Agreement; completion of private placements; completion of the transfer of carbon offset credit royalties; 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;
- 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' 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;
- changes in governmental and environmental regulation that results in increased costs;
- 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

Please refer to the Company's most recent Annual Information Form filed on SEDAR at www.sedar.com for discussion of risk factors and other information.