



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2022**

Introduction

This Management's Discussion and Analysis ("MD&A") of Star Royalties Ltd. is the responsibility of management and covers the three months ended March 31, 2022 and 2021. The MD&A takes into account information available up to, and is dated, May 30, 2022 and should be read together with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022 and 2021.

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 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. ("Keysbrook")
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	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, Big Tree Carbon Inc. (formerly 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 the first-half of 2023.

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

Corporate Developments

Green Star Royalties

In May 2022, the Company completed the closing of the previously announced non-brokered private placement of 15,384,620 shares of its wholly-owned subsidiary Green Star, at a price of CAD\$1.00 per Green Star class A shares (each a "Green Star Share") for total gross proceeds of CAD\$15,384,620.

Following the closing of the private placement, Green Star is now owned 61.9% by Star Royalties, 35% by Agnico Eagle Mines Limited, and 3.1% by the Company's management team and Board of Directors.

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 ("Bluesource"), 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. Green Star expects initial funding of the investment to commence in the second quarter of 2022, with further quarterly tranches drawn by Bluesource, as required, until the entire \$20,625,000 is invested. Green Star currently expects the majority of the \$20,625,000 to be invested in 2023 and continuing into 2024, as required. The total investment of up to \$20,625,000 will be funded by the funds received from the private placement that was closed in May 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 Green Star. 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 \$236,090 (CAD\$300,000). The royalty has a term of 15 years and Green Star 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. Green Star 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 through its wholly owned subsidiary Green Star, 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 \$478,720 (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.

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.

Significant Portfolio Updates

Copperstone Gold Project

On February 15, 2022, Sabre Gold Mines Corp. ("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

On April 28, 2022, Sabre Gold announced that Mike Maslowki had been appointed Vice President, Chief Operating Officer. Mr. Maslowki is a geological engineer with a career spanning more than 40 years of varied experience in resource exploration and mining operations in diverse parts of the world. He was previously the Vice President, Exploration and Chief Operating Officer for Golden Predator Canada. More recently, he was Technical Services superintendent for Teck Resources' underground lead-zinc Pend Oreille Mine in northeast Washington State.

Sabre Gold also provided an update on project financing and status. Progress continues to advance on discussions with potential lenders. With respect to Copperstone, plant layout and flowsheets with associated capital and operating cost estimates have been completed. Detailed engineering was estimated at 70 percent completion, and metallurgical testing was in final stages. In addition, all capital and operating expenses were reviewed by way of further detailed engineering and have been incorporated into an updated discounted cash flow model. The mine plan indicates annual production of approximately 40,000 to 45,000 ounces per annum while demonstrating favourable economics which includes future expected conversion of additional resources based on the open extent nature of both the Copperstone and Footwall zones.

Elk Gold Project

On February 3, 2022, Gold Mountain Mining Corp. ("Gold Mountain") announced that it had 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 ore purchase agreement 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.

On April 7, 2022, Gold Mountain announced that it has intercepted 207 g/t at Elk Gold during its Phase III drill campaign in the Siwash North Zone. Drilling highlights included:

- 1.50m grading 42.39 g/t Au, including 0.30m of 207.00 g/t Au
- 2.31m grading 18.90 g/t Au, including 0.43m of 101.00 g/t Au
- 1.60m grading 26.03 g/t Au, including 1.09m of 38.20 g/t Au
- 1.17m grading 16.46 g/t Au, including 0.30m of 35.30 g/t Au
- 1.00m grading 12.04 g/t Au, including 0.30m of 39.60 g/t Au

On April 21, 2022, Gold Mountain announced closing of its bought deal public offering for aggregate gross proceeds of CAD\$18,500,000.

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.

Review of Financial Performance

Three months ended March 31, 2022 and 2021

Revenue

Revenue for the first quarter of 2022 totaled \$215,361, an increase of 47% compared to \$146,072 for the comparative period in 2021. Revenue relates to royalty income from Keysbrook. The increase is due mainly to increase in commodity prices.

Depletion

Depletion expense for the first quarter of 2022 totaled \$172,234 compared to \$152,258 for the comparative period in 2021. Depletion relates to the Company's royalty on the Keysbrook project.

Operating expenses

Operating expenses for the first quarter of 2022 totaled \$748,396, a decrease of 22% compared to \$959,230 for the comparative period in 2021. The following table provides a breakdown of total operating expenses incurred for the three months ended March 31, 2022 and 2021:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Marketing and shareholder communications	\$ 52,878	\$ 40,926
Management compensation	304,604	221,291
Office and miscellaneous	74,354	57,698
Professional fees	90,530	285,160
Share-based compensation	226,030	354,155
Total expenses	\$ 748,396	\$959,230

Total operating expenses decreased for the first quarter of 2022 compared to the comparative period in 2021 due mostly to decrease in professional fees and share-based compensation, partially offset by an increase in management compensation.

Professional fees decreased during the first quarter of 2022 compared to the comparative period in 2021 as significant amount of professional fees were incurred in the first quarter of 2021 relating to the Company's go-public transaction that was completed in February 2021.

Share-based compensation relates to amortization of stock options and RSUs that were granted to management and board of directors of the Company. The higher share-based compensation in the first quarter of 2021 was due to a portion of the 2021 stock option grant with immediate vesting.

Management compensation increased during the first quarter of 2022 compared to the comparative period in 2021 mainly due to an increase in headcount and general increase in salaries.

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 March 31, 2022 and 2021:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest income	\$ 771	\$ 3,985
Foreign exchange loss	(1,895)	(13,411)
Other income/(loss)	\$ (1,124)	\$ (9,456)

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.

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	\$ 215,361	\$ 111,143	\$ 225,458	\$ 208,948
Net loss	(706,393)	(431,879)	(457,238)	(805,293)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Cash flow from operating activities	(564,625)	(206,278)	(92,758)	(305,114)
Cash flow from investing activities	(722,078)	-	(10,312,780)	-
Cash flow from financing activities	-	-	-	-
Total assets	31,083,633	31,216,617	31,610,006	31,803,108
	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Revenue	\$ 146,072	\$ 9,801	\$ -	\$ -
Net loss	(974,872)	(471,550)	(135,365)	(104,696)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)
Cash flow from operating activities	(500,758)	(373,193)	(95,504)	(52,522)
Cash flow from investing activities	(6,008,911)	(9,623,480)	(53,855)	(125,807)
Cash flow from financing activities	19,526,719	(277,577)	11,253,213	5,673
Total assets	31,704,229	12,722,912	12,883,421	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.

Balance Sheet Review

	March 31, 2022	December 31, 2021
Assets	\$ 31,083,633	\$ 31,216,617
Liabilities	348,809	435,723
Shareholders' equity	30,734,824	30,780,894

Assets

Total assets were \$31,083,633 at March 31, 2022 compared to \$31,216,617 at December 31, 2021. The Company's asset base is comprised primarily of royalty and stream interests and cash and cash equivalents. The decrease in assets reflects primarily a decrease in cash and cash equivalents, offset by increases in royalty and stream interests and receivables.

Liabilities

Total liabilities at March 31, 2022 comprise \$348,809 of accounts payable and accrued liabilities. The decrease in liabilities reflects mainly the timing of payments.

Shareholders' equity

Shareholders' equity decreased by \$46,070 at March 31, 2022 compared to December 31, 2021, reflecting net loss of \$706,393, a gain of \$434,293 in currency translation adjustments and \$226,030 share-based compensation expenses recorded to contributed surplus.

Liquidity and Capital Resources

The Company's subsidiary Green Star completed its previously announced non-brokered private placement in May 2022 with gross proceed of CAD\$15,384,620. As at March 31, 2022, the Company had a working capital¹ balance of \$3,057,424. This balance included cash and cash equivalents of \$2,890,687 (December 31, 2021 - \$4,160,206), receivables of \$425,508 (December 31, 2021 - \$283,472) and prepaids of \$90,038 (December 31, 2021 - \$61,366) to settle current liabilities of \$348,809 (December 31, 2021 - \$435,723). The Company received royalty payment of \$218,211 in April 2022 in respect of the Keysbrook royalty for the three months ended March 31, 2022.

Although the Company has not generated substantial income and has accumulated a deficit, we believe that the cash balance at March 31, 2022 and the net proceeds from the private placement that closed in May 2022 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. 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 for the three months ended March 31, 2022 was \$564,625 compared to \$500,758 in the same period of 2021. The increase in net cash used for operating activities was due mainly to timing of payments.

Investing Activities

Net cash used in investing activities of \$722,078 for the three months ended March 31, 2022 was primarily consisted of the considerations paid for the EMS and MOBISMART royalties. The net cash used in investing activities of \$6,008,911 for the same period in 2021 was mainly the second tranche payment of \$6,000,000 to Sabre Gold in February 2021 pursuant to the gold purchase and sale agreement dated as of November 11, 2020, as amended on April 29 2021 (the "Streaming Agreement").

Financing Activities

There was no financing activity in the three months ended March 31, 2022. Net cash received from financing activities was \$19,526,719 in the three months ended March 31, 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.

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 disclosures about the Company's intended use of proceeds.

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 7 of the condensed interim consolidated financial statements for the three months ended March 31, 2022. 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 March 31 2022, the Company had no off-balance sheet arrangements.

Critical Accounting Judgements and Estimates

The critical accounting estimates, judgments, and assumptions applied in the preparation of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022, are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2021.

Change in Accounting Policies

There were no significant changes in accounting policies for the three months ended March 31, 2022.

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 for the year ended December 31, 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 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.

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 March 31, 2022, the Company has not recorded any adjustments directly attributable to COVID-19.

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 and any other royalty and stream interest; 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 or Green Star 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 or Green Star, 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 or Green Star holds a royalty or stream;
- that projects not yet in production or in development included in Star Royalties' or Green Star's 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 or Green Star 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' or Green Star's 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 and Annual Information Form for the year ended December 31, 2021 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 further discussion of risk factors and other information.