



# Originating Premium Nature-Based North American Carbon Credits

DECEMBER 2022

TSX.V: **STRR** / OTCQX: **STRFF**



# Cautionary Notes

## Market and Industry Data

This corporate presentation includes market and industry data and forecast that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information therein has been obtained from sources believed to be reliable, but there can be no assurances as to the accuracy or completeness of included information. Although management believes it to be reliable, management has not independently verified any of the data from third-party sources referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

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This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws (“**forward-looking statements**”), concerning the business, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this presentation. These statements include, but are not limited to: expectations regarding industry trends and growth rates; expectations regarding the Company’s business plans, growth, financial performance and strategy; and cash flow projections with respect to any of the Company’s projects. Generally, any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “may,” “might,” “could,” “would,” “achieve,” “budget,” “scheduled,” “forecasts,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue”) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are not guarantees of future performance and are based on the opinions, estimates and assumptions of management as of the date such statements are made, which management believes to be reasonable, including without limitation, assumptions regarding: future prices of gold and other metals; currency exchange rates; the ongoing operation of the properties in which the Company holds a royalty or stream interest by the owner or operator of such properties in a manner consistent with past practices; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no adverse development in respect of any significant property in which the Company holds a royalty or stream; performance of contractual obligations by counterparties; financial viability of third party owners and operators; financial projections and budgets; accuracy of any Mineral Resources and Mineral Reserves, anticipated costs and expenditures; the impact of the COVID-19 pandemic; and that future consensus royalty price-to-cash-flow valuations are accurate. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, conditions, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including, without limitation: the Company’s lack of control over the mining operations in which it holds only royalty or stream interests; the Company’s dependency on the financial viability and operational effectiveness of third party owners and operators; the Company’s reliance on third party reporting and potentially limited access to data; changes or disruptions in the securities markets; fluctuation in the price of metals and future commodity prices; adequacy of financial resources and the Company’s ability to raise funds; the introduction of new taxes or changes in tax laws and interpretations; the properties on which the Company holds royalty and other interests will be subject to exploration, development and mining risks, and additional risk factors discussed in this presentation; and the impact of the COVID-19 pandemic. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. In addition, statements relating to “Mineral Reserves” or “Mineral Resources” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Reserves and Mineral Resources described can be profitably mined in the future.

Although we have attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as of the date it is otherwise stated to be made) and is subject to change after such date. We disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities legislation.

To the extent any forward-looking information in this presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the potential benefits of the offering described herein and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the reasonable assumptions of management of the Company and subject to the risks set out herein. All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements.

## Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures and industry metrics such as EBITDA, NAV and carbon offset credits. These measures are not recognized measures under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS and may be calculated differently by other companies. We also use and carbon offset credits which is an operating metric used in our industry. These non-IFRS measures and industry metrics, including adjusted EBITDA and carbon offset credits are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

# Why Invest in Green Star?



## Geography

100% North American focus – lowest geopolitical risk profile



## Project Quality

Nature based solutions (Regenerative Agriculture & Improved Forestry Management)



## Alignment

Structuring innovative transactions that align the interest of all counterparties



## Development Partners

Strong partnership with Anew Climate to develop portfolio projects



## Capital Partners

Joint venture with Agnico Eagle to fund and coinvest in future green projects



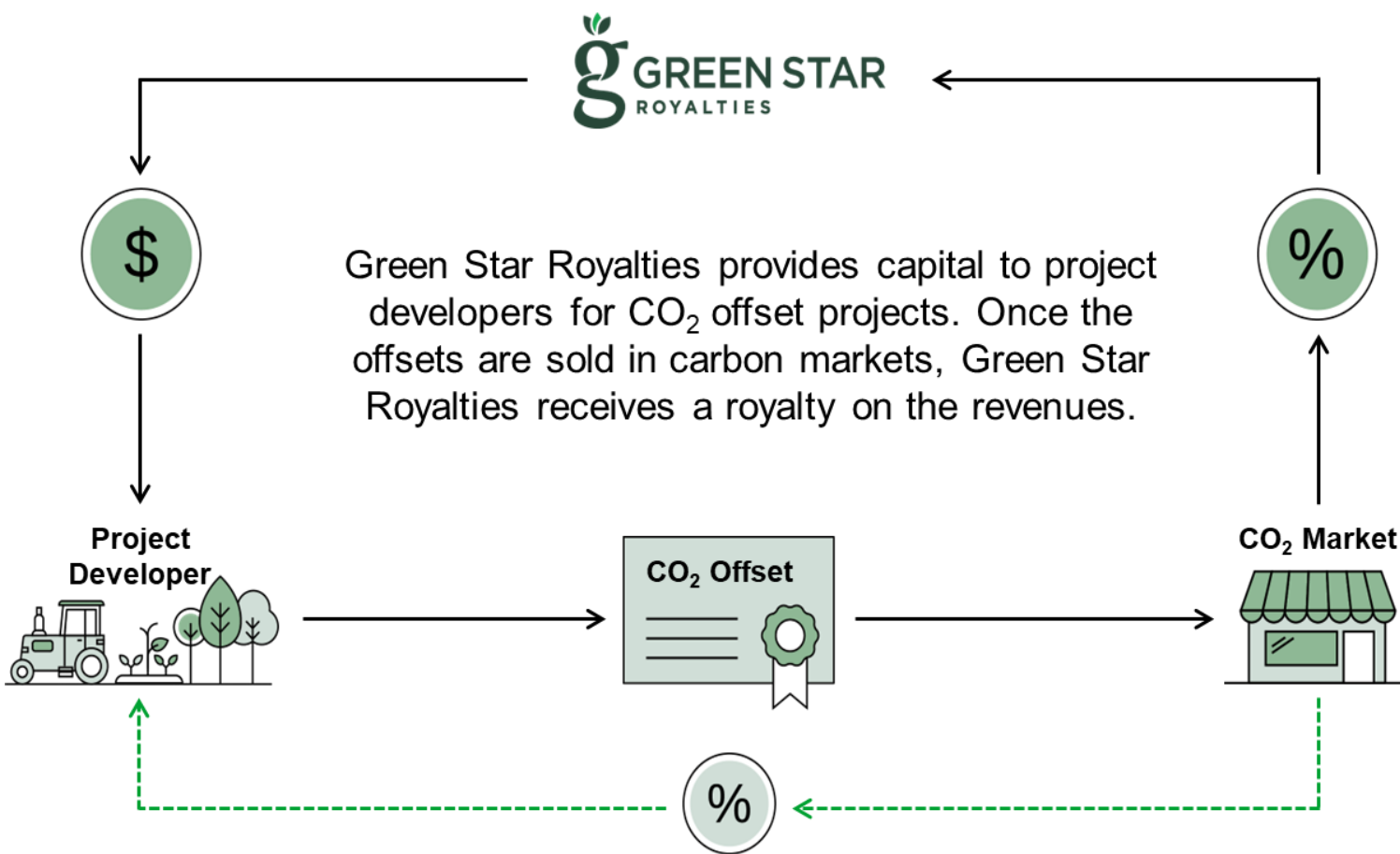
# Pure Green Vehicle to Deploy Sustainable Capital

## A Differentiated Carbon Credit Royalties Investment Company:

- Focus on **originating** new carbon projects in North America
- Flagship Regen Ag program 4x expansion demonstrates **growing** critical mass
- **Strategic** investment by Agnico Eagle accelerates growth trajectory and access to larger projects
- Receiving **royalties** with no streaming payment (100% exposure to CC price upside)
- **Existing** and growing portfolio of projects in nature-based solutions and renewable energies
- **Competitive** advantage via Anew Climate partnership, North America's leading carbon offset developer



# Green Star Royalties Business Model



- **Innovated** the world's first carbon credit (CC) royalty in forestry and regenerative agriculture
- Building best-in-class **partnerships**: strong working partnership with a Anew Climate - leading carbon offset developer and marketer
- Strong governance and superior **alignment** with stakeholders

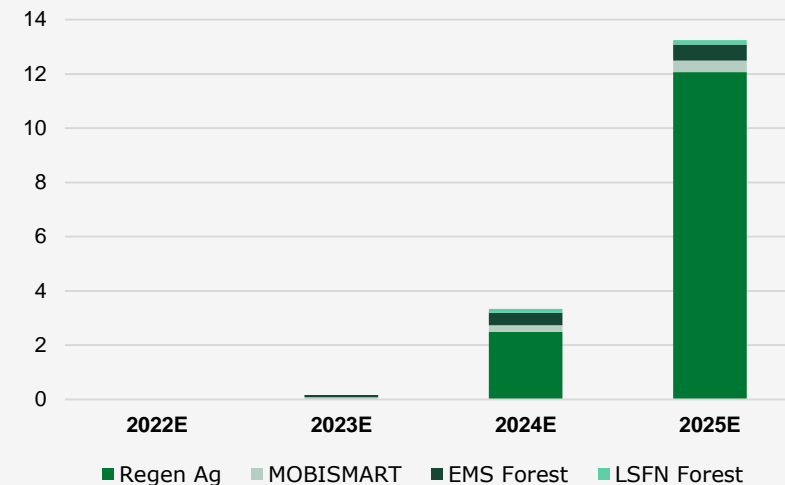
# Rapidly Growing Portfolio of Carbon Credit Royalties

- Originator of premium carbon credit<sup>1</sup> (“CC”) projects in both compliance and voluntary carbon markets
- Existing royalty portfolio of nature-based projects to generate ~570,000 CC/year
- Prioritize North American investments with cash-flow visibility
- Exceptional aligned shareholder: Agnico Eagle (US\$20B market cap.)
- Path toward near-term go-public event

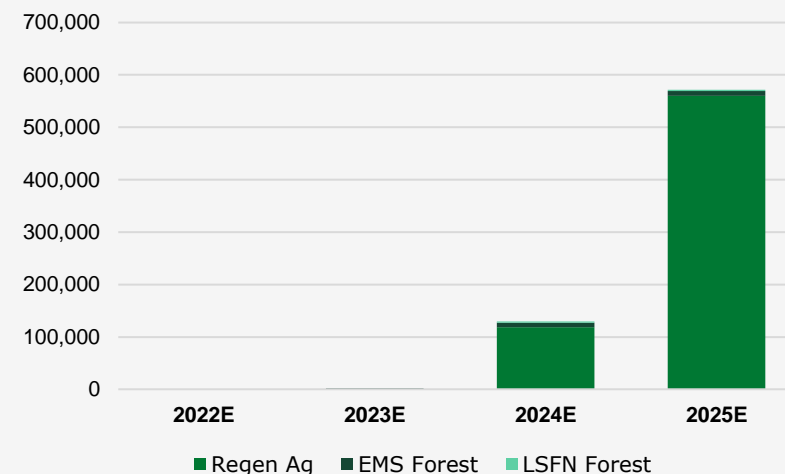
1. Carbon credits are generated from any activity that either prevents or reduces carbon emissions or improves carbon sequestration. Carbon credits are measurable net benefits from activity vs. status quo, measured in tonnes of CO<sub>2</sub> equivalent (1 carbon offset credit = 1tCO<sub>2</sub>e emission reduction).

2. Revenues based on public information, where available, using an assumed US\$20/cc with 2.5% annual escalator for premium Regen Ag voluntary carbon offset credits and Government of Canada pricing for compliance carbon credits. Green Star revenues are presented on a consolidated (100% basis). Attributable carbon credits are calculated as attributable revenues divided by their respective commodity prices.

Estimated Green Star Revenues (US\$M)<sup>2</sup>

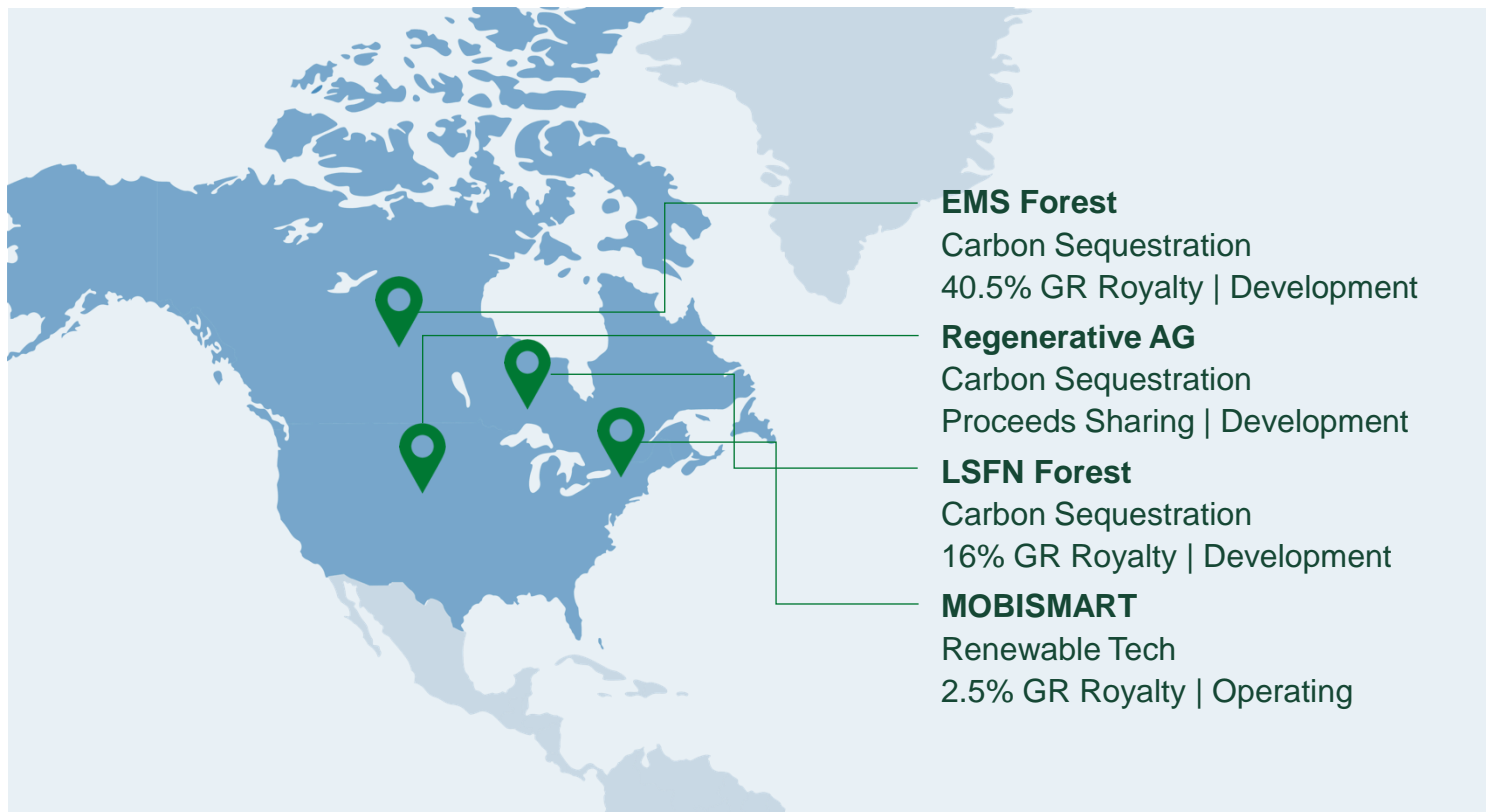


Estimated Attributable Carbon Credits<sup>2</sup>





# North American Focus on Nature Based Solutions



1. Revenues based on public information, where available, using an assumed US\$20/cc for premium Regen Ag voluntary carbon offset credits and Government of Canada pricing for compliance carbon credits. Green Star revenues are presented on a consolidated (100% basis).

# Agnico Eagle Strategic Investment to Expedite Growth

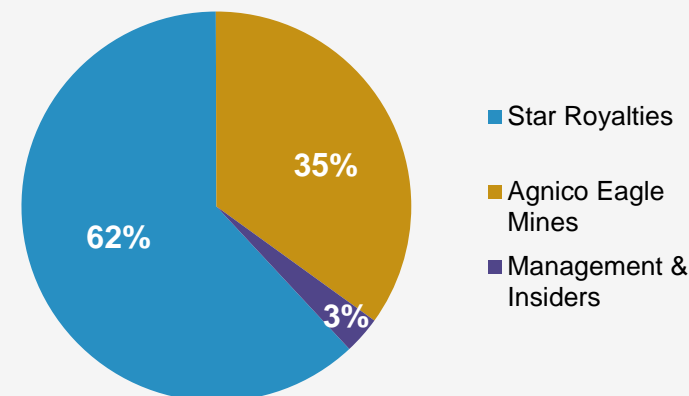
- Agnico Eagle acquired 35% of Green Star for C\$14.1M
- Co-investment potential to accelerate larger green pipeline projects
- Transaction assigned ~C\$40.4M initial value to Green Star prior to quadrupling of flagship regenerative agriculture program; Significant growth potential
- Validation of Green Star business model and portfolio
- Relationship reflects strong alignment on ESG and governance between Star Royalties and Agnico Eagle and joint commitment to a sustainable, carbon neutral future



AGNICO EAGLE

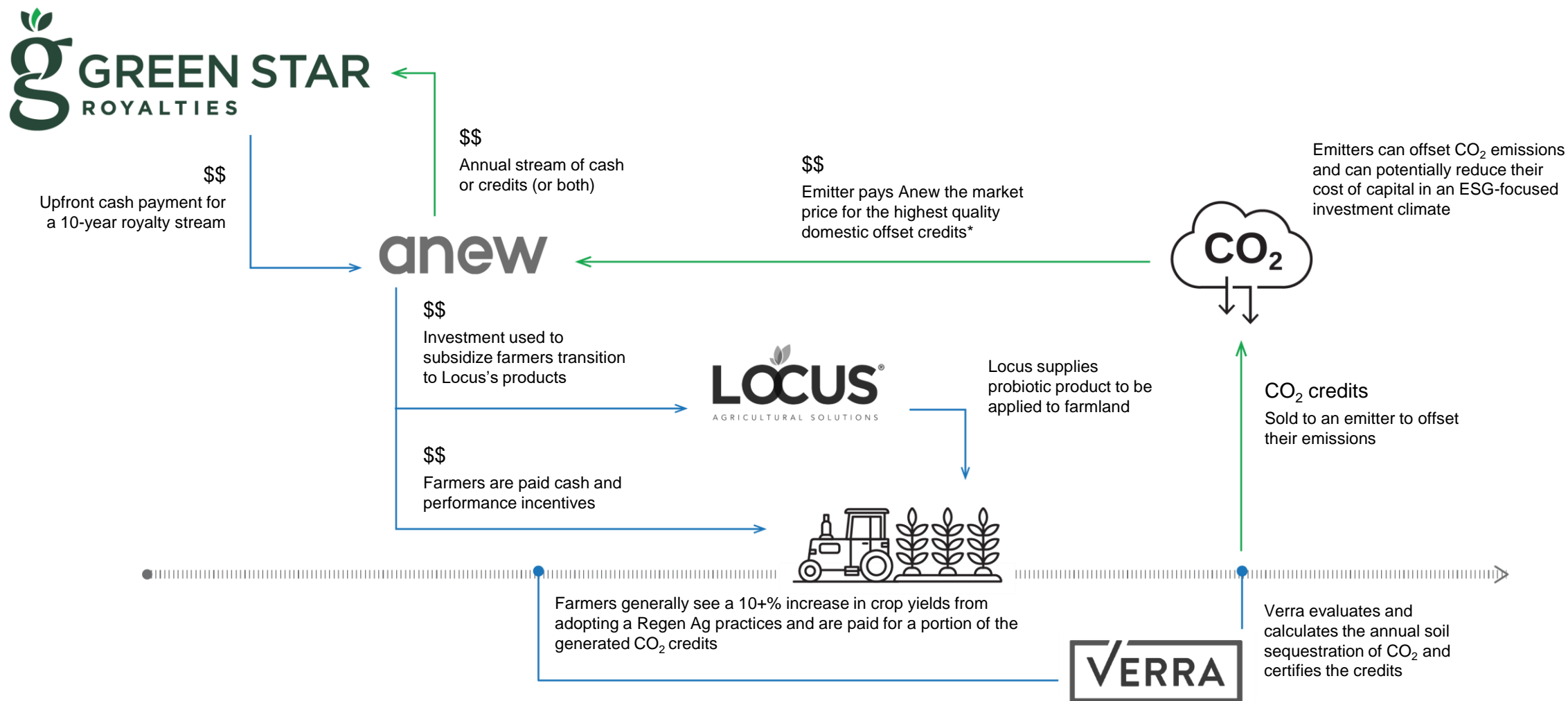


Ownership of Green Star Royalties





# Regenerative Agriculture Project Overview



# Flagship Regenerative Ag Project Expanded Fourfold

## 1. Originating Carbon Offset Credits

Project to generate revenues equivalent to over 560k carbon offset credits to Green Star

## 2. Demonstrating Significant Scalability

Initial 320k-acre project expanded to 1.32M acres on strong enrollment demand. 1B acres of prospective farmland across North America

## 3. Premium Credits in Tier 1 Jurisdiction

Partnering with U.S. growers to create premium, verified credits for voluntary carbon markets

## 4. Preferred Partner Status Drives Growth

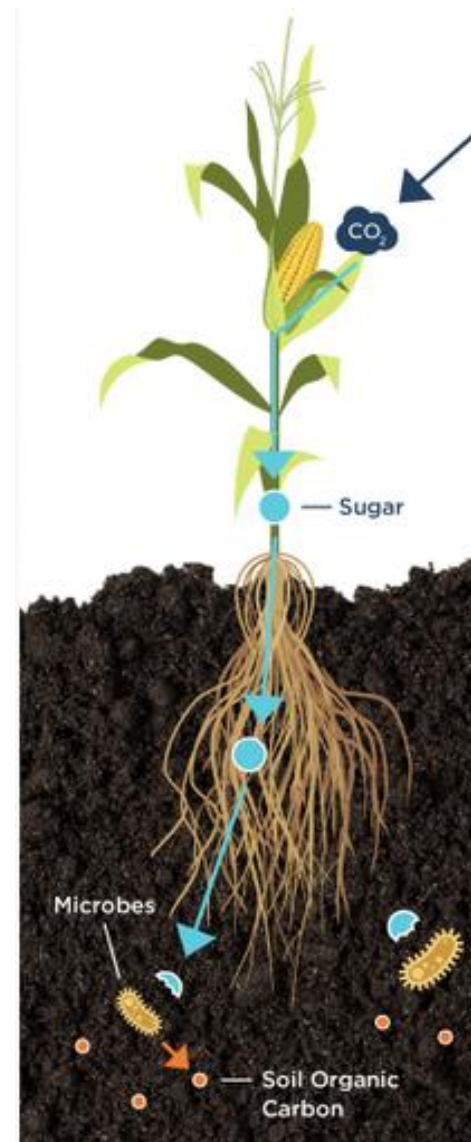
Green Star's partnership with Anew Climate (North America's leading carbon offset developer and marketer) to result in financing larger regenerative agriculture projects

## 5. Innovative and Aligned Structure

Novel approach enables all farms to directly participate in carbon credit markets, ensuring aligned benefits to all program participants

## 6. Sustainable Farming

Financing and accelerating transition of North American farmers to sustainable farming practices to improve soil health and accelerate atmospheric CO<sub>2</sub> removal and sequestration into soils



# Existing Portfolio and Current Opportunities

- Strategic investment from Agnico Eagle to co-invest and accelerate pipeline with larger green projects
- Competitive advantage through collaboration with Anew Climate, North America's leading carbon offset developer

Investment	Investment (C\$M)	Location	Total CC Potential	Type
Regen Ag Royalty	Owned	USA	4,000,000-6,000,000	Regenerative agriculture
EMS Forest Royalty	Owned	AB, Canada	60,000-80,000	Improved forest management
LSFN Forest Royalty	Owned	ON, Canada	20,000-30,000	Improved forest management
Diesel Displacement Royalty	Owned	ON, Canada	TBD	Mobile renewable energy
Regen Ag	75-100	USA	15,000,000-20,000,000	Regenerative agriculture
Livestock Methane Reduction	15-20	USA / Canada	TBD	Enteric methane reduction
Biological Charcoal	5	USA / Canada	TBD	Biochar
British Columbia Forests	15-25	BC, Canada	1,500,000-2,500,000	Improved forest management
LSFN Forest ROFR	8-12	ON, Canada	400,000-600,000	Improved forest management
Ontario Forests	18-32	ON, Canada	1,200,000-3,000,000	Improved forest management
Alberta Forests	TBD	AB, Canada	TBD	Improved forest management



# Management: Experienced Team of Capital Allocators



**Alex Pernin, MSc, P.Geo.**  
Chief Executive Officer and Director  
Capital allocation (ABX)



**Tony Lesiak, BSc, MBA**  
Executive Chairman  
Ranked analyst



**Kevin MacLean, P.Eng., CFA**  
Chief Investment Officer  
Award-winning portfolio manager



**Ken Ngo, CPA, CA**  
Chief Financial Officer  
Finance (Franco-Nevada)



**Rina Cerrato, BEng, MES**  
Chief Commercial Officer  
IETA advisor & GHG quantification



**Tanushree Bagh Mukherjee, MSc**  
Chief Development Officer  
Verra protocol design & evaluation

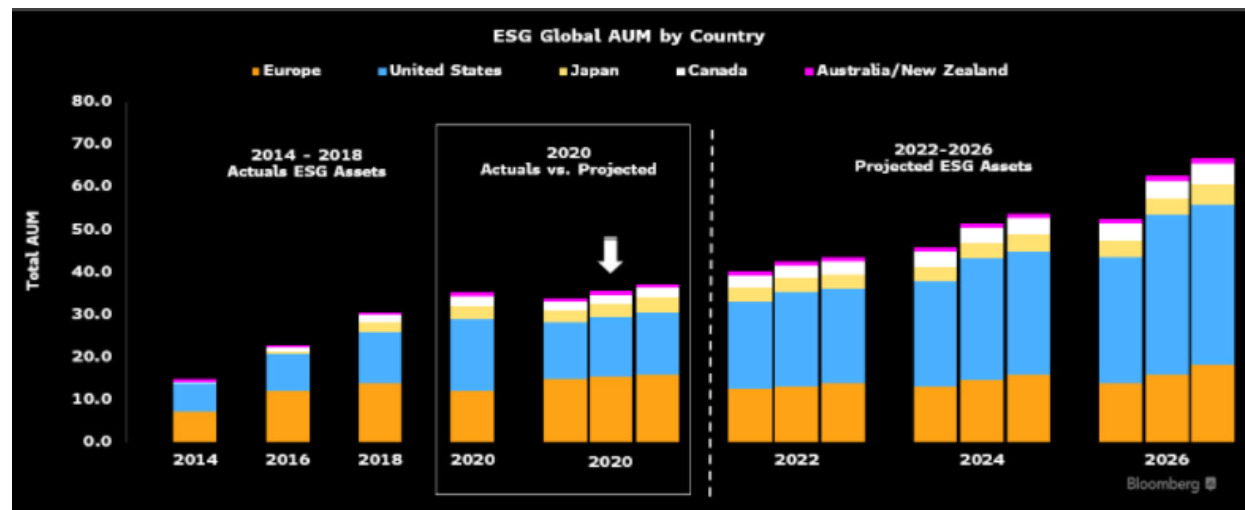


**Dmitry Kushnir, CFA**  
VP, Investor Relations  
Business strategy & IR (AEM)

# Rapid Growth in Global ESG Fund Assets

- ESG fund assets to grow to ~US\$53T by 2025E
- Limited investment opportunities creates potential for strong Green Star valuation premiums (1.5-2.0x NAV expected)
- +144 Canadian ESG funds available in 2021, +41 since 2020
- C\$334M in Canadian ESG fund in-flows in 2020

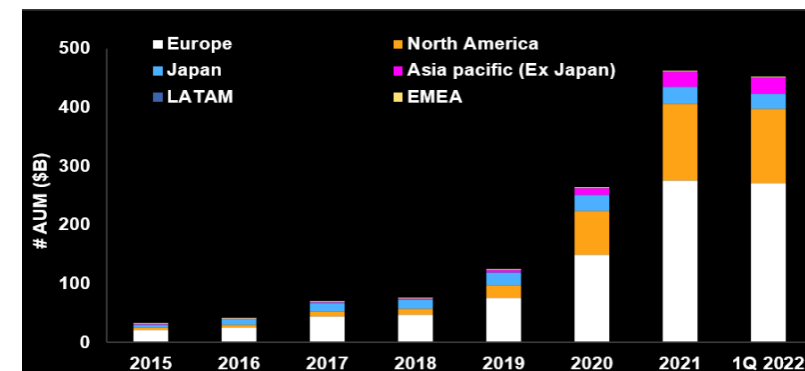
ESG: Global AUM Projections



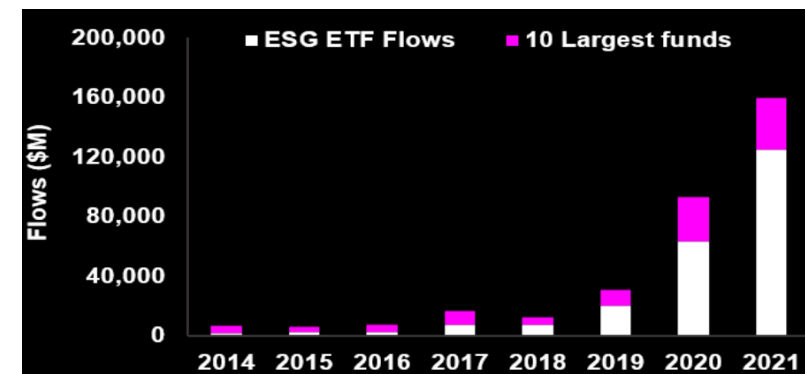
Sources:

<https://www.bloomberg.com/professional/blog/esg-assets-may-hit-53-trillion-by-2025-a-third-of-global-aum/#:~:text=ESG%20assets%20are%20on%20track%20to%20reach%20%2453%20trillion%2C%20based,the%20category%20starting%20in%202022.>

ESG: ETF Asset Growth

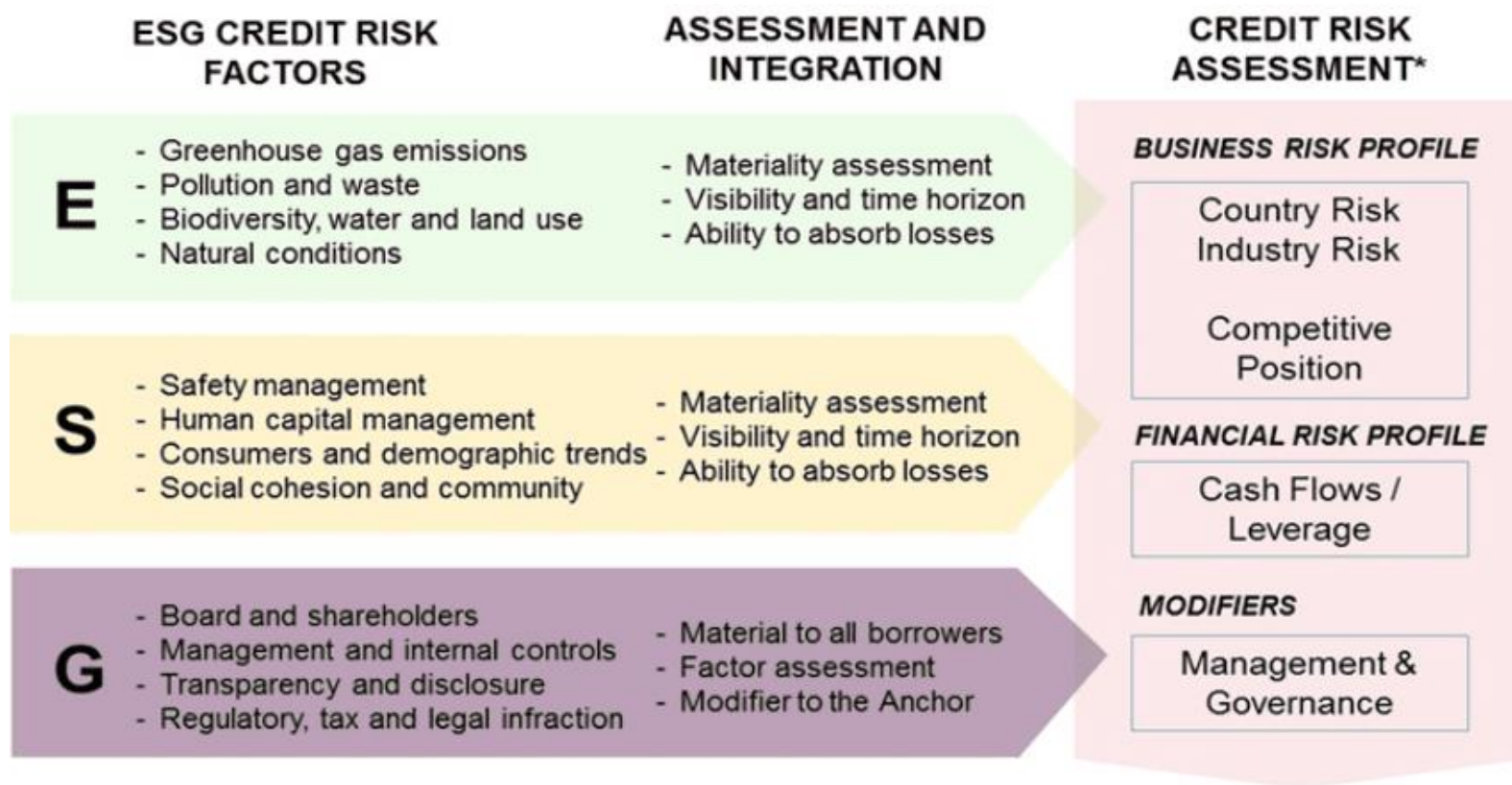


ESG: Widespread Acceptance of ESG ETFs



# Improving the ESG Scorecard Process

Sample Corporate ESG Scorecard

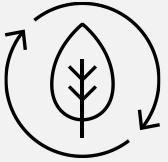


\* Simplified representation of the analytical framework for corporates

**Carbon Negative  
Footprint Allows  
for Quantifiable  
ESG Scorecard  
Improvements**

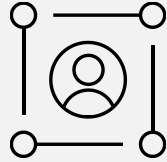


# ESG is Core to Founding Principles



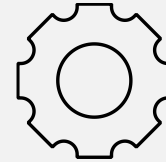
## Environmental

- **Green Star:** mandate to invest in pure-green initiatives with no mining assets
- **Carbon Credits:** regenerative agriculture and forest conservation projects; scalable business with near-term cash flow



## Social

- **Indigenous communities:** existing partnerships on royalty opportunities
- **Counterparty alignment:** portfolio construction approach ensures alignment with counterparties



## Governance

- **Board diversity:** skillsets, experience and diversity
- **Compensation:** equity-driven

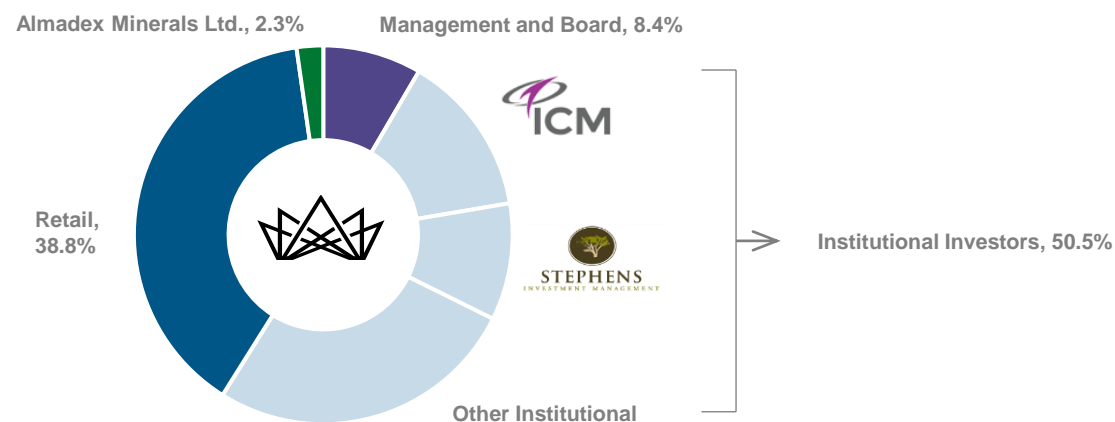


# Investment Snapshot – TSX-V: STRR; OTCQX: STRFF

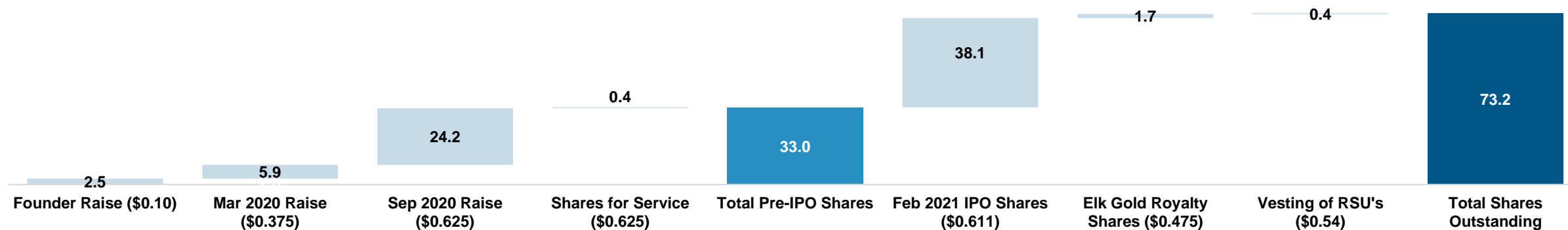
## Capitalization

Share Price (December 15, 2022)	C\$0.40
52-Week High/Low	C\$0.71 – C\$0.37
Market Capitalization	C\$29M
Cash / Debt (Sept. 30, 2022)	US\$2.5M / Nil
Book Value (Sept. 30, 2022)	US\$47.6M
Basic / FD Shares Outstanding	73.2M / 117.1M
Cash from Exercise <sup>1</sup> / Average Strike Price	US\$34.4M / C\$0.96

## Ownership



## Shares Outstanding (M)

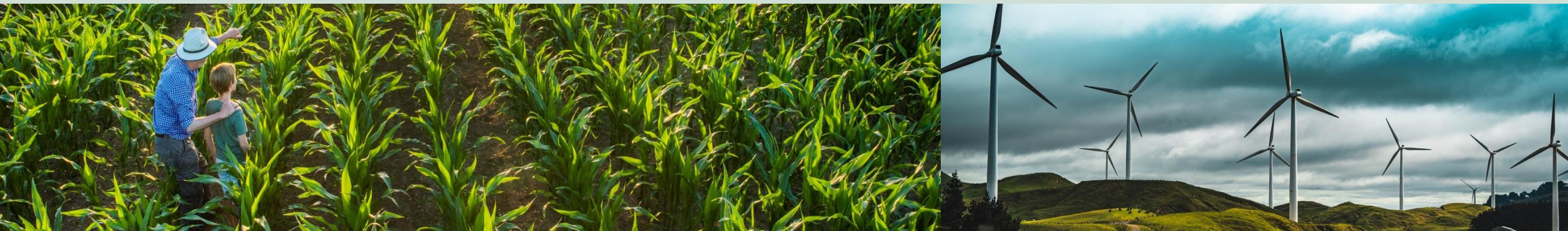


1. Cash from Exercise is calculated as the exercise of 39.4M warrants, 0.8M Almadex Minerals warrants, and 3.7M options.

# Pure Green Vehicle to Deploy Sustainable Capital

## A Differentiated Carbon Credit Royalties Investment Company:

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- **Strategic** investment by Agnico Eagle accelerates growth trajectory and access to larger projects
- Receiving **royalties** with no streaming payment (100% exposure to CC price upside)
- **Existing** and growing portfolio of projects in nature-based solutions and renewable energies
- **Competitive** advantage via Anew Climate partnership, North America's leading carbon offset developer





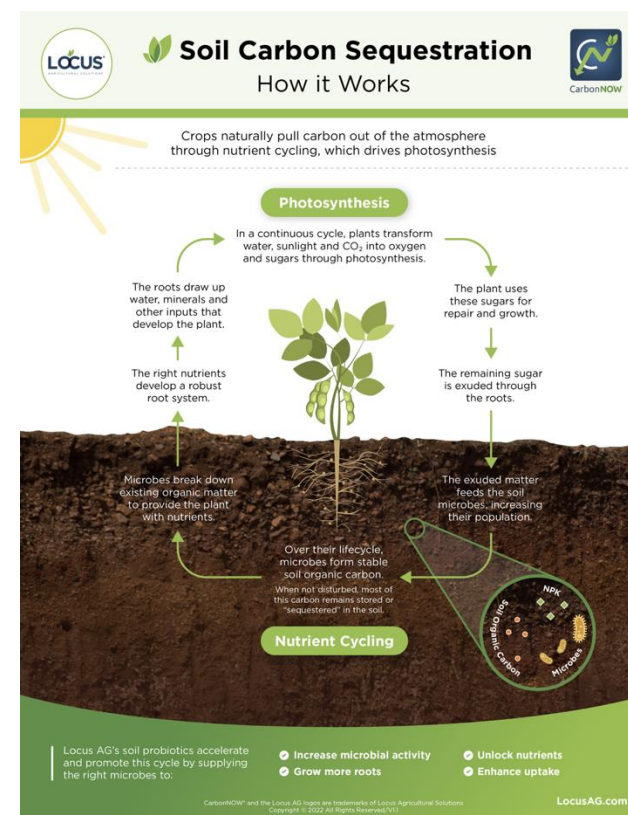
# Asset Portfolio

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# CarbonNOW® Carbon Farming Program

## Partnership between Green Star, Anew Climate and Locus AG:

- Rapid interest from U.S. farmers based on key differentiators:
  - Upfront payments and guaranteed minimums
  - Performance bonuses that accrue for larger long-term payouts
  - Premium carbon credits and secure buyers
  - No program fees and full program management
  - High eligibility rates and access to carbon-accelerating technology
- Farmers join CarbonNOW® to generate higher ROI per acre through:
  - Better nutrient use efficiency and uptake,
  - Increases in crop yields
  - Improved carbon sequestration



Source:

1. www.locusag.com

# Regenerative Agriculture Project: ~560,000 CC/year

## Description

- Regenerative agriculture aims to promote topsoil health regeneration and to rebuild soil organic matter while improving water management, reducing or eliminating nitrogen-based fertilizers, increasing biodiversity, and implementing low tillage and cover crop practices
- Regenerative agriculture reverses climate change by sequestering significant additional amounts of atmospheric CO<sub>2</sub> into soils than would have occurred by utilizing current farming practices
- Green Star to finance Anew Climate's regenerative agriculture carbon offset program with cash proceeds made available to growers through Locus AG's CarbonNOW program and to fund revenue-accelerating and award-winning microbial soil "probiotic" technology
- Locus AG to actively recruit growers under project until total of 1.32 million acres of farmland across U.S. have been adopted into program
- 11.5-year term with future CC revenues, net of expenses, to be split between growers, Anew Climate and Green Star
- Green Star and Anew Climate working together to identify other regenerative agriculture opportunities to pursue

## Regenerative Agriculture Project



<b>Operator</b>	Anew Climate LLC, Locus Agricultural Solutions
<b>Location</b>	USA
<b>Stage</b>	Development (2023E start)
<b>Commodity</b>	Verra Verified Carbon Standard voluntary carbon offset credit
<b>Terms</b>	Proceeds sharing with Anew Climate

# EMS Forest Carbon Offset Project: ~9,000 CC/year

## Description

- Government of Canada mandated minimum standards for carbon pricing across Canada and implemented federal program applied to GHG-emitting industrial facilities in several provinces, including Ontario
- Reforestation and conservation of boreal forest creating CC as trees absorb atmospheric CO<sub>2</sub> through photosynthesis and sequester CO<sub>2</sub> into biomass
- Anew Climate, largest US developer and marketer of CC, assisting EMS in developing forest carbon sequestration project
- Resulting CC to be sold to federally regulated industrial emitters
- EMS Forest Project covers forested area of 15,457 ha
- Future CC revenues, net of expenses, to be split with the majority going to EMS and the remainder to Green Star

### Elizabeth Metis Settlement Forest



<b>Operator</b>	Elizabeth Metis Settlement, Anew Climate LLC
<b>Location</b>	Alberta, Canada
<b>Stage</b>	Development (2023E start)
<b>Commodity</b>	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit
<b>Terms</b>	40.5% Gross Revenue Royalty <sup>1</sup> on Elizabeth Metis Settlement's forest revenue

1. 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 date hereof until the first 225,000 carbon offset credits are issued and sold in connection with the EMS Forest Project.



# LSFN Forest Carbon Offset Project: ~2,500 CC/year

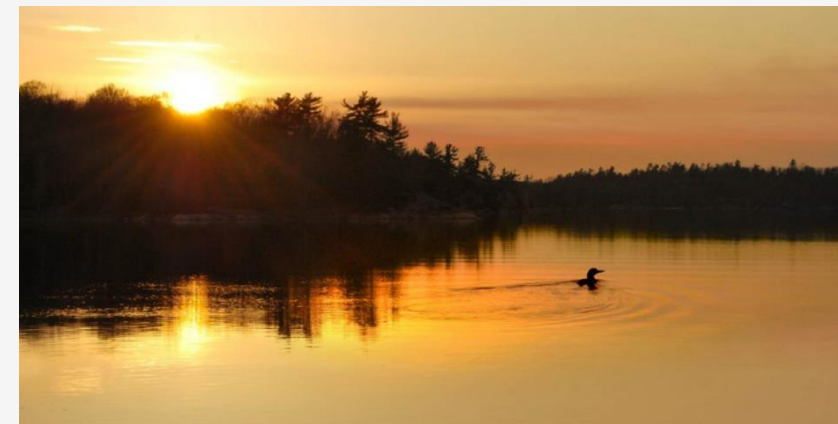
## Description

- Government of Canada mandated minimum standards for carbon pricing across Canada and implemented federal program applied to greenhouse gas (“GHG”)-emitting industrial facilities in several provinces, including Ontario
- Reforestation and conservation of boreal forest creating CC as trees absorb atmospheric CO<sub>2</sub> through photosynthesis and sequester CO<sub>2</sub> into biomass
- Big Tree Carbon (formerly AurCrest Gold) and Anew Climate, largest US developer and marketer of CC, assisting LSFN in developing forest carbon sequestration opportunities on First Nation’s Reserve lands and Traditional Territory
- Resulting CC to be sold to federally regulated industrial emitters
- LSFN Forest Project covers forested area of 22,063 ha of First Nation’s Reserve lands (~3% of overall 800,000 ha Lac Seul Forest Management Unit)
- Future CC revenues, net of expenses, to be split with significant majority going to LSFN and remainder to Big Tree Carbon
- Green Star and Big Tree Carbon working together to identify other carbon sequestration, renewable energy and mining opportunities to pursue

### Sources:

1. Anew Climate LLC.
2. AurCrest Gold Inc. news release dated May 15, 2020: “AurCrest Gold sells 16% Royalty to Star Royalties on boreal Forest GHG emission sequestration project.”
3. AurCrest Gold Inc. news release dated May 11, 2020: “AurCrest Gold, Lac Seul First Nation and Bluesource sign Adoption Agreement to proceed with a GHG emission sequestration project and monetize carbon offsets in the Boreal Forest.”
4. AurCrest Gold Inc. news release dated December 13, 2019: “AurCrest Gold and Lac Seul First Nation sign agreement to develop GHG emission sequestration projects and monetize carbon offsets in the Boreal Forest.”

## Lac Seul First Nation Forest



<b>Operator</b>	Lac Seul First Nation, Big Tree Carbon Inc., Anew Climate LLC
<b>Location</b>	Ontario, Canada
<b>Stage</b>	Development (2023E start)
<b>Commodity</b>	Federal Output-Based Performance Standards (OBPS) Carbon Offset Credit
<b>Terms</b>	16% Gross Revenue Royalty on Big Tree Carbon’s forest revenue share (with ROFR on overall Lac Seul Forest Management Unit)

# MOBISMART Royalty: High-Growth Renewable Tech

## Description

- Private, operating company headquartered in Toronto, Canada, specializing in mobile, easily-deployable, off-grid power generation and storage and containerized solutions
- Integrated product offering includes mobile trailers (solar and/or wind), wind turbines, power electronics integration and monitoring
- Goal to reduce diesel fuel usage and CO<sub>2</sub> emissions, frequent maintenance, noise pollution, and associated financial and environmental costs where grid power unavailable or unreliable
- Product lineup deployable anywhere, including at telecom towers and 5G infrastructure, construction sites, disaster relief situations, military operations, and mining camps
- Additional high-growth areas include integrated power solutions for solar conversion of refrigeration vehicle fleets
- MOBISMART benefits from working relationships with industry leaders such as Siemens AG, Mitsubishi Heavy Industries, Ltd., Sono Motors GmbH, Victron Energy B.V., Schneider Electric SE

## MOBISMART



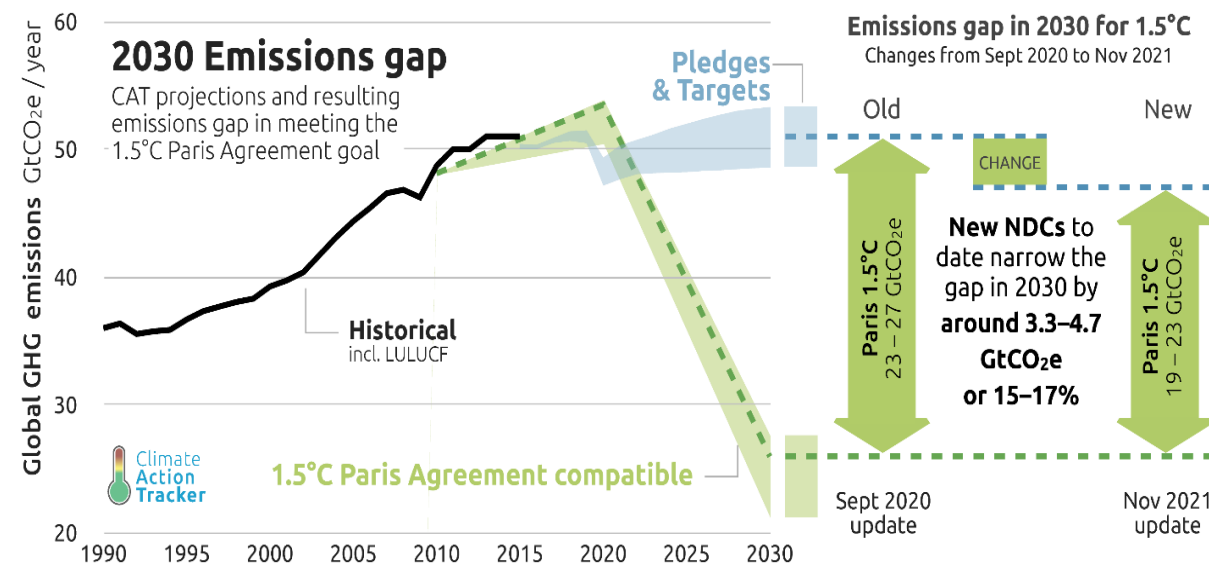
<b>Operator</b>	MOBISMART Mobile Off-Grid Power & Storage Inc.
<b>Location</b>	Ontario, Canada
<b>Stage</b>	Production
<b>Product</b>	Mobile, easily-deployable, off-grid power generation and storage
<b>Terms</b>	2.5% Gross Revenue Royalty on all current and future revenues and any potential business divestment revenues generated by MOBISMART

# Carbon Markets

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# Targets: Paris Agreement

- Signed in 2016 by 196 nations to reduce GHG emissions
- Objective: limit global temperature increase to below 2°C above pre-industrial levels; secondary aggressive target of limiting increase to 1.5°C
- Many governments since increased commitment to reducing GHG emissions, +100 countries and +1,000 corporations committed to major GHG emission reductions by 2030 and carbon-neutral by 2050
- Government of Canada announced carbon pricing increases from current C\$50/tCO<sub>2e</sub> level to C\$170/tCO<sub>2e</sub> by 2030





# Markets: Compliance

## Compliance (Mandatory)

- Created and regulated by international, national or regional carbon reduction regimes; goal of mandating emitters to account for and achieve legal compliance with GHG emission reduction requirements
- Example: cap-and-trade emission trading schemes: European Union Emissions Trading Scheme (EU ETS), Western Climate Initiative (WCI), Regional Greenhouse Gas Initiative (RGGI)

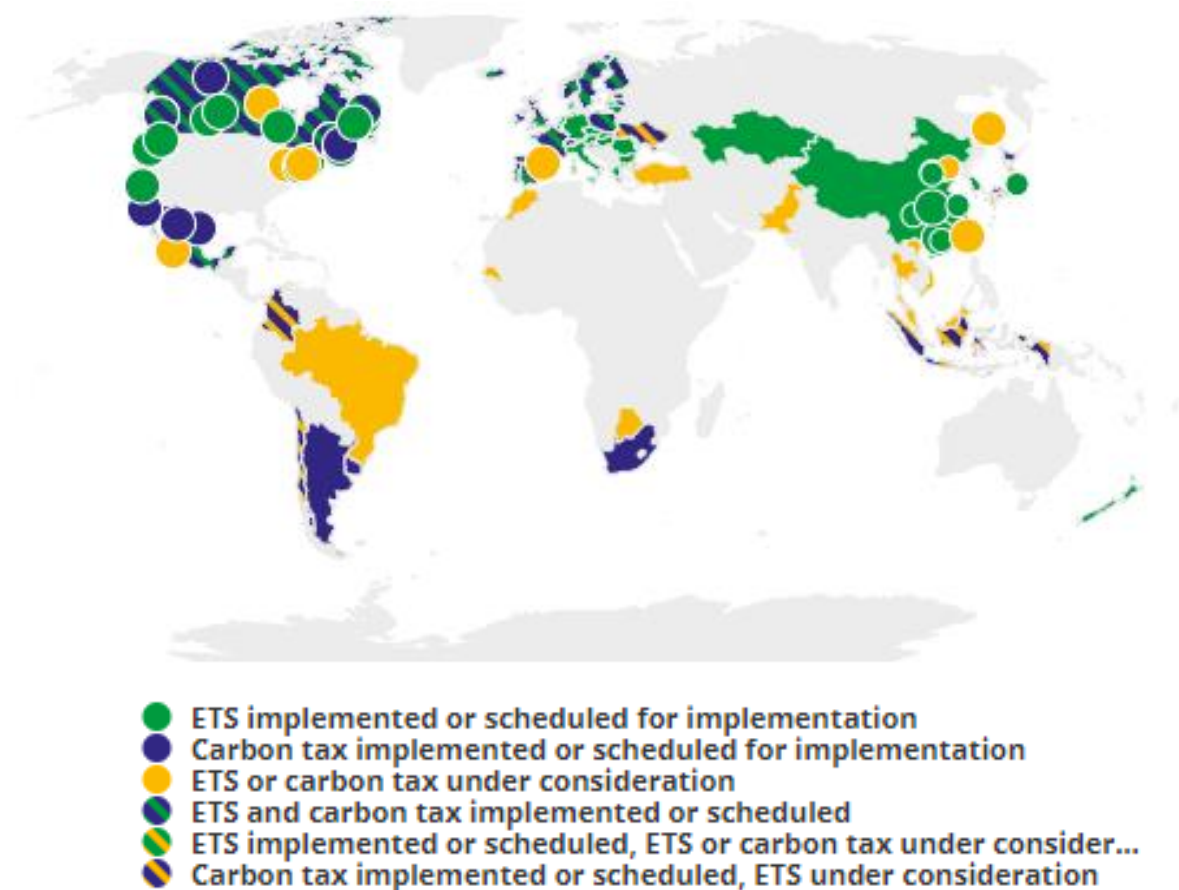
## 2021

- Compliance carbon pricing initiatives covered 12GtCO<sub>2e</sub>, representing ~23% of global GHG emissions
- Global compliance market was ~US\$760B (~90% accounted by EU ETS, ~6% by WCI and RGGI), ~160% increase from 2020 market size and ~540% from 2017 market size

Sources:

1. <https://carbonpricingdashboard.worldbank.org/>
2. <https://www.refinitiv.com/perspectives/market-insights/carbon-trading-exponential-growth-on-record-high/>

Map of international, national or regional compliance carbon pricing initiatives



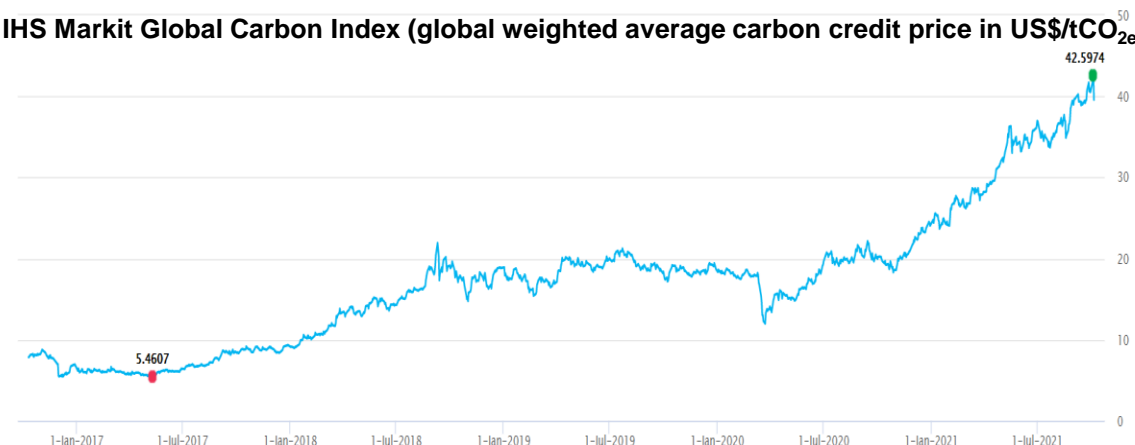
# Markets: Compliance

- Global compliance carbon offset prices (driven by EU ETS) currently at all-time highs
- Consensus forecasts see significantly higher carbon offset pricing (in both compliance and voluntary markets) than current levels
- Reason: promote greater widespread GHG reductions practices and achieve Paris Agreement objectives

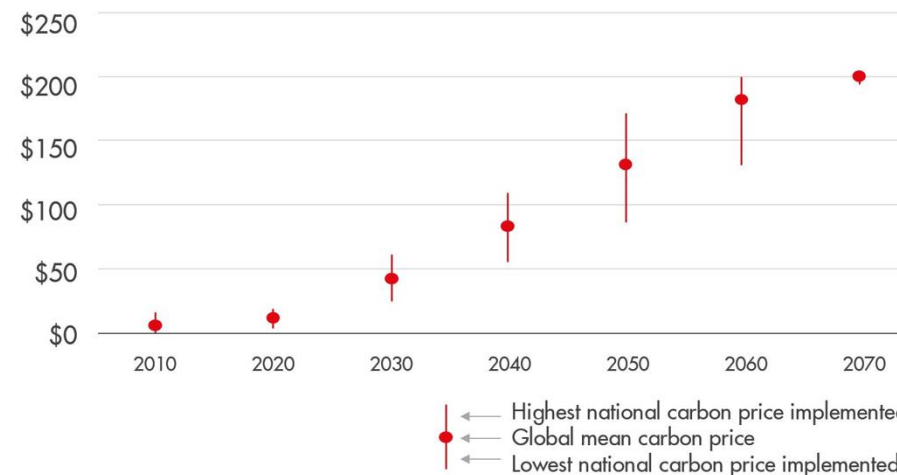
Record carbon pricing in Europe



IHS Markit Global Carbon Index (global weighted average carbon credit price in US\$/tCO<sub>2e</sub>)



Shell: compliance carbon price forecast in US\$/tCO<sub>2e</sub>



Sources:

1. <https://indices.ihsmarkit.com/Carbonindex>. 2. Bloomberg 3. <https://blogs.shell.com/2020/01/13/the-future-of-carbon-pricing/>

# Markets: Voluntary

## Voluntary

- Trading of carbon credits by corporations, institutions and individuals to offset GHG emissions on a voluntary basis with no compliance requirements
- Significant expected increase in voluntary carbon credit demand as corporations commit to major GHG emission reductions by 2030 and carbon-neutral by 2050
- Example: Microsoft committed to being carbon negative by 2030, removing their historic carbon emissions by 2050, and investing US\$1B in climate innovation fund

## Increasing Demand

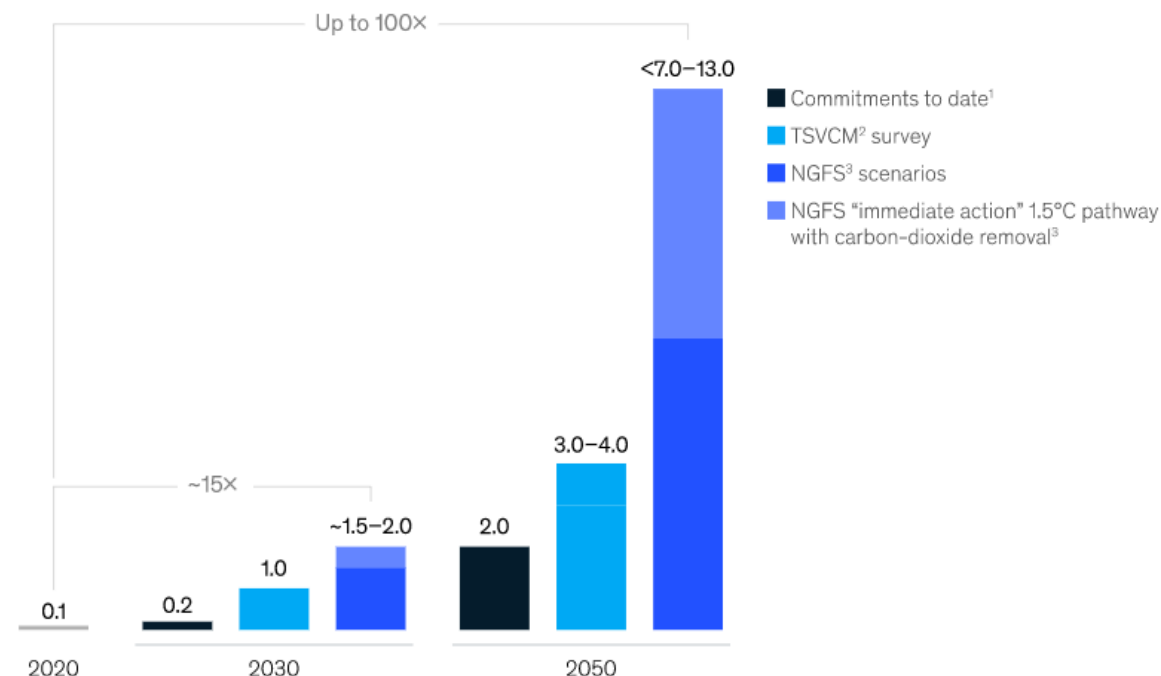
- McKinsey: voluntary market increase from 2020 to 2030 could be:
  - ~15x in terms of carbon credit volume (from ~0.1 GtCO<sub>2e</sub>pa to 1.5-2.0 GtCO<sub>2e</sub>pa)
  - ~150x in terms of market size (from ~US\$300M to ~US\$50B)

Sources:

- <https://www.mckinsey.com/business-functions/sustainability/our-insights/a-blueprint-for-scaling-voluntary-carbon-markets-to-meet-the-climate-challenge#>
- <https://blogs.microsoft.com/blog/2020/01/16/microsoft-will-be-carbon-negative-by-2030/>

Global demand for voluntary carbon credits could increase by 15x by 2030 and 100x by 2050

Voluntary demand scenarios for carbon credits, gigatons per year



<sup>1</sup>These amounts reflect demand established by climate commitments of more than 700 large companies. They are lower bounds because they do not account for likely growth in commitments and do not represent all companies worldwide.

<sup>2</sup>TSVCM = Taskforce on Scaling Voluntary Carbon Markets. These amounts reflect demand based on a survey of subject-matter experts in the TSVCM.

<sup>3</sup>NGFS = Network for Greening the Financial System. These amounts reflect demand based on carbon-dioxide removal and sequestration requirements under the NGFS's 1.5°C and 2.0°C scenarios. Both amounts reflect an assumption that all carbon-dioxide removal and sequestration results from carbon credits purchased on the voluntary market (whereas some removal and sequestration will result from carbon credits purchased in compliance markets and some will result from efforts other than carbon-offsetting projects).

Source: NGFS; TSVCM; McKinsey analysis



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