

***STARREX MINING CORPORATION
LTD.***

FIRST QUARTER REPORT

31 MARCH 2012

Starrex Mining Corporation Limited
Condensed Interim Financial Statements
Three Months Ended March 31, 2012
(Unaudited)

Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Starrex Mining Corporation Limited (the "Company" or "Starrex") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim 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 unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed): "S. Donald Moore"

(Signed): "J. A. Murphy"

Toronto, Canada
May 30, 2012

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. These unaudited condensed interim financial statements as at, and for the three months ended, March 31, 2012 have not been reviewed by the Company's auditors.

Starrex Mining Corporation Limited
Condensed Interim Statements of Financial Position
(Unaudited)

	March 31 2012	December 31 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 815,435	\$ 824,474
Other receivables	9,633	7,401
	825,068	831,875
Equipment (note 3)	92	98
Total assets	\$ 825,160	\$ 831,973
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 39,548	\$ 31,006
Loan payable to related party (note 4)	234,826	234,826
	274,374	265,832
Capital and reserves		
Share capital (note 5)	1,203,723	1,203,723
Share-based payment reserve	15,524	15,524
Deficit	(668,461)	(653,106)
Total equity	550,786	566,141
Total equity and liabilities	\$ 825,160	\$ 831,973

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Starrex Mining Corporation Limited
Condensed Interim Statements of Comprehensive Loss
For the three month periods ended March 31
(Unaudited)

	2012	2011
Income		
Investment income	\$ 1,325	\$ 1,621
Expenses		
Administrative (note 4)	16,674	17,398
Depreciation	6	7
	16,680	17,405
Net comprehensive loss for the period	\$ (15,355)	\$ (15,784)
Basic and diluted net loss per share (note 8)	\$ (0.00)	\$ (0.00)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Starrex Mining Corporation Limited
Condensed Interim Statements of Changes in Equity
For the three month periods ended March 31
(Unaudited)

	Share capital	Share-based payment reserve	Deficit	Total
Balance, December 31, 2010	\$ 1,203,723	\$ 15,524	\$ (582,034)	\$ 637,213
Net comprehensive loss for the period	-	-	(15,784)	(15,784)
Balance, March 31, 2011	\$ 1,203,723	\$ 15,524	\$ (597,818)	\$ 621,429
Net comprehensive loss for the period	-	-	(55,288)	(55,158)
Balance, December 31, 2011	\$ 1,203,723	\$ 15,524	\$ (653,106)	\$ 566,141
Net comprehensive loss for the period	-	-	(15,355)	(27,355)
Balance, March 31, 2012	\$ 1,203,723	\$ 15,524	\$ (668,461)	\$ 538,786

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Starrex Mining Corporation Limited
Condensed Interim Statements of Cash Flows
For the three month periods ended March 31
(Unaudited)

	2012	2011
Operating activities		
Net loss for the period	\$ (15,355)	\$ (15,784)
Items not affecting cash:		
Amortization	6	7
	(15,349)	(15,777)
Other sources (uses) of cash from operations:		
Other receivables	(2,232)	(793)
Accounts payable and accrued liabilities	8,542	9,842
Decrease in cash and cash equivalents	(9,039)	(6,728)
Cash and cash equivalents, beginning of period	824,474	899,680
Cash and cash equivalents, end of period	\$ 815,435	\$ 892,952

Supplemental disclosure of cash flow information:

Interest received	\$ 718	\$ 1,621
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The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Starrex Mining Corporation Limited
Notes to Condensed Interim Financial Statements
March 31, 2012
(Unaudited)

1. Business of the Company

Nature of Business

Starrex Mining Corporation Limited ("the Company") was incorporated on October 2, 1982 pursuant to the Canada Business Corporation Act under the name Starrex Mining Corporation. The Company's address is 3080 Yonge Street, Suite 5004, Box 60, Toronto, Ontario M4N 3N1. It is a Canadian company focusing on the review and evaluation of diverse business proposals in the resource and industrial sectors. The Company has been inactive for several years.

The unaudited condensed interim financial statements were approved by the Board of Directors on May 30, 2012.

2. Basis of presentation and statement of compliance

(a) Statement of compliance

The Company has prepared these condensed interim financial statements in accordance with IAS 34, *Interim Financial Reporting*, employing all of the same accounting policies and methods of computation as disclosed in the annual financial statements as at December 31, 2011.

The notes to these interim financial statements are intended to provide a description of events and transactions that are significant to an understanding to the changes in the Company's financial position and performance since December 31, 2011. Certain disclosures that appear in the annual financial statements have not been reproduced in these condensed interim financial statements and, in this regard only, these condensed interim financial statements do not conform in all respects to the requirements of IFRS for annual financial statements. Accordingly, these condensed interim financial statements should only be read in conjunction with the annual financial statements as at December 31, 2011.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Significant accounting estimates and judgments

The preparation of these unaudited condensed interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the financial reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. These unaudited condensed interim financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences and relate to, but are not limited to the recognition of deferred tax assets. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Significant estimates and judgments include recognition and valuation of deferred income tax amounts.

(d) Functional currency

The presentation currency and the functional currency of the Company is the Canadian dollar.

Starrex Mining Corporation Limited
Notes to Condensed Interim Financial Statements
March 31, 2012
(Unaudited)

3. Equipment

Cost

	Equipment
Balance, March 31, 2012 and 2011, December 31, 2011 and 2010	\$ 13,124

Accumulated depreciation

	Equipment
Balance, December 31, 2010	\$ (13,002)
Depreciation for the period	(7)
Balance, March 31, 2011	(13,009)
Depreciation for the period	(17)
Balance, December 31, 2011	(13,026)
Depreciation for the period	(6)
Balance, March 31, 2012	\$ (13,032)

Carrying amounts

	Equipment
At December 31, 2010	\$ 122
At March 31, 2011	\$ 115
At December 31, 2011	\$ 98
At March 31, 2012	\$ 92

4. Related party transactions

The Company had the following transactions with officers and directors of the Company and private companies controlled by officers and directors of the Company for management consulting and other services required by the Company:

- i) The Company incurred fees of \$3,750 in 2012 (March 31, 2011 - \$3,750) with Secorp Limited ("Secorp"), a corporation controlled by a director and officer of the Company, for accounting, administrative and secretarial services rendered. These fees are included in administrative expenses. At March 31, 2012, the amount of \$18,750 (December 31, 2011 - \$15,000) was payable to Secorp. The amount due is unsecured, non-interest bearing and is due on demand.
- ii) The Company incurred \$3,750 in management fees in 2012 (March 31, 2011 - \$3,750) to the President for services provided to the Company. These fees are included in administrative expenses. At March 31, 2012 and 2010, the amount of \$3,750 (December 31, 2011 - \$Nil) was payable to the President. The amount due is unsecured, non-interest bearing and is due on demand.
- iii) Included in loan payable to related party are advances of \$234,826 (December 31, 2011 - \$234,826) from Talent Oil and Gas Limited, a corporation controlled by a director and officer of the Company. These advances are unsecured, non-interest bearing and are due on demand.

Starrex Mining Corporation Limited
Notes to Condensed Interim Financial Statements
March 31, 2012
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5. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

b) Activity

There was no change in the number of issued and outstanding common shares for the period ended March 31, 2012 or for the year ended December 31, 2011.

6. Share-based payments

The Company has a Stock Option Plan (the "Plan") that enables its directors, officers, employees, consultants and advisors to acquire common shares of the Company. Options are granted at the discretion of the Board of Directors. Under the terms of the Plan, options totalling up to 10% of the common shares outstanding from time to time are issuable. The vesting period and expiration period are fixed at the time of grant at the discretion of the Board of Directors.

In the period ended March 31, 2012 and for the year ended December 31, 2011 no new stock options were issued.

There was no stock based compensation expenses recorded for the periods ended March 31, 2012 and March 31, 2011.

In October 2007, the Company issued 80,000 stock options under the Plan to its directors with an exercise price of \$0.50 per share. The options have a term of five years and vested over 3 years starting on the first anniversary date of the grant. At March 31, 2012, 80,000 (December 31, 2011 - 80,000) options were exercisable.

At March 31, 2012, the weighted average remaining contractual life and weighted-average exercise price of the 80,000 options outstanding and exercisable are 0.53 years and \$0.50 respectively.

7. Income Taxes

Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following items:

	March 31 2012	December 31 2011
Capital losses	\$ 2,170,500	\$ 2,170,500
Non-capital losses	419,039	416,200
Equipment and other	198	200
	\$ 2,589,737	\$ 2,586,900

The deductible temporary differences, other than non-capital losses, do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits there from.

8. Net loss per share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding during 2012 of 3,429,566 (2011 - 3,429,566). Due to the net loss for the periods ended March 31, 2012 and 2011, the stock options were excluded from the calculation of the weighted average number of diluted common shares outstanding because their effect would have been anti-dilutive.

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March 31, 2012
(Unaudited)

9. Capital disclosures

The Company's objective when managing capital are to maintain its ability to continue as a going concern in order to provide return for shareholders and to ensure sufficient resources are available to meet day to day operating requirements.

The Company considers the items included in capital and reserves as capital. The Company manages its capital structure and makes adjustments to it, in order to have funds available to support its corporate activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements and there has been no change in the overall capital risk management strategy during the three months ended March 31, 2011.

10. Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and cash equivalents. This risk is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies.

(ii) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. As at March 31, 2012, the Company had cash and cash equivalents of \$815,435 (December 31, 2011 - \$824,474) available to settle current liabilities of \$274,374 (December 31, 2011 - \$265,832).

(c) Market risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents are relatively unaffected by changes in short-term interest rates.