Starrex Mining Corporation Limited

Condensed Interim Financial Statements

Six Months Ended June 30, 2013

(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"*
President & CEO

Toronto, Canada
Aug 29, 2013

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 six months ended, June 30, 2013 have not been reviewed by the Company's auditors.

Starrex Mining Corporation Limited

Condensed Interim Statements of Financial Position
(Unaudited)

		June 30 2013		December 31 2012
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**745,170**	$	793,484
Prepaid expenses		**1,250**		1,250
		746,420		794,734
Equipment *(note 4)*		**70**		77
Total assets	**$**	**746,490**	$	794,811
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities *(note 5)*	**$**	**60,486**	$	72,762
GST/HST payable *(note 10)*		**18,304**		18,304
Loan payable to related party *(note 5)*		**234,826**		234,826
		313,616		325,892
Capital and reserves				
Share capital *(note 6)*		**1,217,644**		1,217,644
Contributed surplus *(note 7)*		**12,221**		11,603
Deficit		**(796,991)**		(760,328)
Total equity		**432,874**		468,919
Total equity and liabilities	**$**	**746,490**	$	794,811

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 periods ended June 30
(Unaudited)

	Three Months Ended		Six Months Ended	
	2013	2012	**2013**	2012
Income				
Investment income	**$ 1,588**	$ 1,269	**$ 2,946**	$ 2,594
Expenses				
Administrative *(note 5)*	**23,846**	31,560	**38,984**	48,234
Share based payments *(notes 5 and 7)*	**618**	-	**618**	-
Depreciation	**4**	5	**7**	11
	24,468	31,564	**39,609**	48,244
Net loss and comprehensive loss for the period	**$ (22,880)**	$ (30,295)	**$ (36,663)**	$ (45,650)
Basic and diluted net loss per share *(note 8)*	**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.01)

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 periods ended June 30
(Unaudited)

	Share Capital				
	Number Of Shares	**Value**	**Contributed Surplus**	**Deficit**	**Total**
Balance, December 31, 2011	**3,429,566**	**$ 1,203,723**	**$ 15,524**	**$ (653,106)**	**$ 566,141**
Net comprehensive loss for the period	-	-	-	(45,650)	(45,650)
Balance, June 30, 2012	**3,429,566**	**1,203,723**	**15,524**	**(698,756)**	**520,491**
Stock options exercised	20,000	13,921	(3,921)	-	10,000
Net comprehensive loss for the period	-	-	-	(61,572)	(61,572)
Balance, December 31, 2012	**3,449,566**	**1,217,723**	**11,603**	**(760,328)**	**468,919**
Share based payments	-	-	618	-	618
Net comprehensive loss for the period	-	-	-	(36,663)	(36,663)
Balance, June 30, 2013	**3,449,566**	**$ 1,217,723**	**$ 12,221**	**$ (796,991)**	**$ 432,874**

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 periods ended June 30
(Unaudited)

	Three Months Ended		Six Months Ended	
	2013	2012	**2013**	2012
Operating activities				
Net comprehensive loss for the period	**$ (22,880)**	$ (30,295)	**$ (36,663)**	$ (45,650)
Items not affecting cash:				
Share based payments	**618**	-	**618**	-
Depreciation	**4**	5	**7**	11
	(22,258)	(30,290)	**(36,038)**	(45,639)
Other sources (uses) of cash from operations:				
Other receivables	**-**	5,661	**-**	3,429
Accounts payable and accrued liabilities	**(5,872)**	6,960	**(12,276)**	15,502
Decrease in cash and cash equivalents	**(28,130)**	(17,669)	**(47,314)**	(26,708)
Cash and cash equivalents, beginning of period	**773,300**	815,435	**793,484**	824,474
Cash and cash equivalents, end of period	**$ 745,170**	$ 797,766	**$ 745,170**	$ 797,766

Supplemental disclosure of cash flow information:				
Interest received	**$ 1,588**	$ 1,571	**$ 3,075**	$ 2,289

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

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.

These unaudited condensed interim financial statements were approved by the Board of Directors on August 27, 2013.

2. Basis of presentation and statement of compliance

(a) Statement of compliance

The Company has prepared these unaudited 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, 2012.

The notes to these unaudited condensed 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, 2012. Certain disclosures that appear in the annual financial statements have not been reproduced in these unaudited condensed interim financial statements and, in this regard only, these unaudited condensed interim financial statements do not conform in all respects to the requirements of IFRS for annual financial statements. Accordingly, these unaudited condensed interim financial statements should only be read in conjunction with the annual financial statements as at December 31, 2012.

(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 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. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and also in future periods when the revision affects both current and future periods.

(d) Functional currency

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

3. Changes in Accounting Policies

IFRS 13 – Fair Value Measurement

IFRS 13 converged IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard created a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus is on an exit price. The Company adopted this policy January 1, 2013 and there was no effect on its Unaudited Condensed Interim Financial Statements.

IAS 1 – Presentation of Financial Statements

IAS 1 requires an entity to group items presented in the Statement of Comprehensive Income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The Company adopted this policy January 1, 2013 and there was no effect on its Unaudited Condensed Interim Financial Statements.

4. Equipment

Cost:		**Office Furniture**
Balance, June 30, 2013 and 2012, and December 31, 2012	**$**	**13,124**
Accumulated depreciation:		
Balance, December 31, 2011	$	(13,026)
Depreciation for the period		(11)
Balance, June 30, 2012		(13,037)
Depreciation for the period		(10)
Balance, December 31, 2012		(13,047)
Depreciation for the period		(7)
Balance, June 30, 2013	**$**	**(13,054)**
Carrying amounts:		
At December 31, 2011	$	98
At June 30, 2012	$	87
At December 31, 2012	$	77
At June 30, 2013	**$**	**70**

5. 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 $Nil in 2013 (June 30, 2012 - $7,500) with Secorp Limited ("Secorp"), a corporation controlled by an individual who was then a director and officer of the Company, for accounting, administrative and secretarial services rendered. These fees are included in administrative expenses. At June 30, 2013, the amount of $Nil (December 31, 2012 - $22,750) was payable to Secorp. The individual ceased to be an officer and director of the Company, as a result of his death, on October 1, 2012.

5. Related party transactions (continued)

ii) The Company incurred $8,000 in management fees in 2013 (June 30, 2012 - $3,750) to the President for services provided to the Company. These fees are included in administrative expenses. At June 30, 2013 the amount of $24,000 (December 31, 2012 - $16,000) was payable to the President. The amount due is unsecured, non-interest bearing and is due on demand.

iii) During the period, the Company issued 50,000 stock options to a director of the Company (June 30, 2012 - Nil).

iv) Included in loan payable to related party are advances of $234,826 (December 31, 2012 - $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.

6. Share capital

Authorized

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

Issued

	Number of common shares		**Amount**
Balance, December 31, 2011	3,429,566	$	1,203,723
Stock options exercised	20,000		10,000
Fair value of stock options exercised	-		3,921
Balance, June 30, 2013 and December 31, 2012	3,449,566	$	1,217,644

Details of options outstanding:

	Common Shares Under option	Number of Options Vested		Exercise Price	Expiry Date
Granted May 21, 2013	50,000 (1)	Nil	$	0.20	May 21, 2018

(1) A Director of the Company holds these options. The options will vest as to 50% on May 21, 2014 and 50% on May 21, 2015.

The following weighted average assumptions were used to calculate the fair value of the stock options granted during the period:

	June 30 2013	June 30 2012
Dividend yield	**Nil**	Nil
Risk free interest rate (%)	**1.15 - 1.30**	None issued
Expected stock volatility (%)	**76.86**	None issued
Expected life (years)	**5**	None issued

7. 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. The fair values of stock options granted have been determined using the Black-Scholes model and are added to contributed surplus as follows:

	June 30 2013	December 31 2012
Balance, beginning of period	**$ 11,603**	$ 15,524
Fair value of stock options exercised	**-**	(3,921)
Compensation expense related to stock options granted	**618**	-
Balance, end of period	**$ 12,221**	$ 11,603

8. 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:

	June 30 2013	December 31 2012
Capital losses	**$ 2,170,530**	$ 2,170,530
Non-capital losses	**521,700**	521,700
Equipment and other	**201**	200

The capital losses may be carried forward indefinitely but may only be used to offset capital gains. The non-capital losses will expire as noted in the table below. The equipment and other amount may be carried forward indefinitely. 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 therefrom.

9. Net loss per share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding during 2013 of 3,449,566 (2012 - 3,429,566). There were no dilutive factors.

10. Contingencies

The Company is currently the subject of an audit being conducted by the Canada Revenue Agency ("CRA") who has issued a notice of reassessment denying the Company's claim for a refund of all Goods and Services Tax (GST) and Harmonized Sales Tax (HST) that it has paid on its business expenses since January 1, 2006. The Company disagrees with, and is contesting the position taken by CRA. The full effects of the reassessment were recognized during the fiscal year ended December 31, 2012 and all GST and HST amounts incurred during the current financial reporting period have been charged to income. In the event that the Company is successful in its attempt to overturn the reassessment, in whole or in part, then the resulting adjustment will be recognized in income of that period.

11. 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 shareholders' equity as capital, which totals $432,874 as at June 30, 2013 (December 31, 2012 - $468,999). 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 six months ended June 30, 2013.

12. Financial risk factors

The Company's financial instruments consist of loans and receivables and other financial liabilities as further explained in note 3(a) of the annual financial statements at December 31, 2012. As at June 30, 2013, the carrying values and fair values of the Company's financial instruments are approximately the same.

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

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.

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 June 30, 2013, the Company had cash and cash equivalents of $745,170 available to settle current financial liabilities of $313,616.

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 is relatively unaffected by changes in short-term interest rates.