STARREX™ INTERNATIONAL

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited) (expressed in U.S. dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. These unaudited condensed interim consolidated financial statements as at, and for the three months ended March 31, 2024 and 2023, have not been reviewed by the Company's auditors.

Management's Responsibility for Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Starrex International Ltd. (the "Company" or "Starrex") are the responsibility of the Board of Directors.

The unaudited condensed interim consolidated 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 audited consolidated financial statements as at December 31, 2023. 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 unaudited condensed interim consolidated 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 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 unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated 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 consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated 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 consolidated 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 consolidated 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): *"Dr. Deborah Merritt"*
Chief Financial Officer

Calgary, Canada
June 3, 2024

Starrex International Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited) Expressed in U.S. dollars

		March 31, 2024		December 31, 2023
ASSETS				
Current Assets				
Cash	$	**1,743,299**	$	2,343,819
Accounts receivable (Note 8)		**359,673**		450,080
Notes receivable (Note 9)		**66,526**		-
Prepaid expenses		**186,381**		146,450
		2,355,879		2,940,349
Non-current assets				
Property and equipment (Note 5)		**273,741**		270,088
Intangible assets (Note 6)		**4,375,050**		5,104,490
Goodwill		**3,669,608**		3,669,608
Right-of-use assets (Note 7)		**979,683**		1,024,001
Total assets	$	**11,653,961**	$	13,008,536
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	**1,486,199**	$	1,454,762
Notes payable		**6,723,589**		6,723,588
Current portion of lease liabilities (Note 7)		**217,352**		252,876
		8,427,140		8,431,226
Non-current Liabilities				
Lease liabilities (Note 7)		**790,840**		795,729
Total liabilities	$	**9,217,980**	$	9,226,955
Shareholders' equity				
Share capital (Note 11)	$	**8,575,933**		8,575,933
Contributed surplus (Note 12)		**1,074,509**		1,074,509
Accumulated other comprehensive income		**(261,534)**		(261,534)
Deficit		**(6,952,927)**		(5,607,327)
Total shareholders' equity		**2,435,981**		3,781,581
Total liabilities and shareholders' equity	$	**11,653,961**	$	13,008,536

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

Signed: "*Charles Burns*"	Signed: "*Scott M. Reeves*"
Chief Executive Officer	Director

Starrex International Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2024 and 2023
(Unaudited) Expressed in U.S. dollars

	2024	2023
Income		
Revenue from contracts with customers (Note 11)	**$ 1,241,963**	$ 387,357
Other revenue	**4,599**	16,570
Interest income	**-**	25,140
	1,246,562	429,067
Expenses		
Transaction costs	**104,104**	41,264
Payroll expense	**1,135,827**	279,351
General and administrative	**458,957**	288,166
Professional fees	**274,280**	135,579
Management and corporate services (Note 8)	**174,146**	102,640
Depreciation and amortization (Notes 5, 6 and 7)	**219,793**	35,660
Shareholder services	**3,055**	1,990
Government, regulatory and filing fees	**11,085**	7,331
Franchise taxes	**8,810**	-
Interest expense (Notes 7 and 14)	**43,666**	41,757
	2,433,724	933,739
Net loss from continuing operations	**$ (1,187,162)**	$ (504,672)
Income (loss) from discontinued operations	**$ (158,438)**	$ 63,732
Net loss and comprehensive loss for the period	**$ (1,345,600)**	$ (440,940)
Basic and diluted net loss per share for the period (Note 13)		
Continuing operations	**$ (0.08)**	$ (0.03)
Discontinued operations	**(0.01)**	0.00
Net loss per share for the period	**$ (0.08)**	$ (0.03)
Weighted average number of common shares outstanding (Note 13)	**16,546,113**	15,976,571

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

Starrex International Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2024 and 2023

(Unaudited) (Expressed in U.S. Dollars)

	Number of Shares	Value	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2022	**16,296,113**	**$ 8,275,933**	**$ 390,136**	**$ (209,921)**	**$ (261,534)**	**$ 8,194,614**
Shares issued (Note 11)	250,000	300,000	-	-	-	300,000
Options issued (Note 12)	-	-	359,160	-	-	359,160
Net loss for the period	-	-	-	(440,940)	-	(440,940)
Balance, March 31, 2023	**16,546,113**	**$ 8,575,933**	**$ 749,296**	**$ (650,861)**	**$ (261,534)**	**$ 8,412,834**
Balance, December 31, 2023	**16,546,113**	**$ 8,575 933**	**$ 1,074,509**	**$ (5,607,327)**	**$ (261,534)**	**$ 3,781,581**
Net loss for the period	-	-	-	(1,345,600)	-	(1,345,600)
Balance, March 31, 2024	16,546,113	**$ 8,575 933**	**$ 1,074,509**	**$ (6,952,927)**	**$ (261,534)**	**$ 2,435,981**

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

Starrex International, Ltd.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Unaudited) Expressed in U.S. Dollars

	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Net loss from continuing operations for the period	**$ (1,187,162)**	$ (504,672)
Items not affecting cash:		
Depreciation and amortization (Notes 5, 6 and 7)	**219,794**	35,660
Net change in non-cash working capital items relating to operating activities		
Accounts receivable	**(83,636)**	(409,280)
Escrowed receivable	**-**	300,000
Prepaid expenses	**(39,931)**	(40,346)
Accounts payable and accrued liabilities	**177,269**	287,062
Income taxes payable	**-**	84,231
Cash flows from operating activities - continuing operations	**(913,668)**	(247,345)
Cash flows from operating activities - discontinued operations	**(65,089)**	135,888
Cash flows from operating activities	**(978,757)**	(111,457)
Cash flows from investing activities		
Purchase of property and equipment	**(14,824)**	-
Proceeds issued on note receivable	**(66,526)**	(1,590,480)
Acquisition of subsidiaries	**-**	(1,800,000)
Cash flows from investing activities - continuing operations	**81,350**	(3,390,480)
Cash flows from investing activities - discontinued operations	**500,000**	-
Cash flows from investing activities	**418,650**	(3,390,480)
Cash flows from financing activities		
Proceeds from notes payable	**-**	1,100,000
Principal lease payments	**(40,413)**	(23,744)
Cash flows from financing activities - continuing operations	**(40,413)**	1,076,256
Cash flows from financing activities - discontinued operations	**-**	-
Cash flows from financing activities	**(40,413)**	1,076,256
Increase in cash during the period	**(600,520)**	(2,425,681)
Cash, beginning of period	**$ 2,343,819**	$ 7,856,519
Cash, end of period	**$ 1,743,299**	$ 5,430,838

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

1. Nature of Operations

Starrex International Ltd. ("Starrex" or the "Company") was incorporated on October 2, 1982 pursuant to the Canada Business Corporation Act. The Company's address is 639 5th Avenue S.W., Calgary, Alberta T2P 0M9. The Company's primary business is to acquire, manage and grow companies in the United States active in mortgage, real estate and other financial sectors.

2. Significant Accounting Policies

Statement of Compliance

The Company has prepared these unaudited condensed interim consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting,* employing all of the same accounting policies and methods of computation as disclosed in the annual audited consolidated financial statements as at December 31, 2023, except as noted below. The notes to these unaudited condensed interim consolidated financial statements are intended to provide a description of events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since December 31, 2023. Certain disclosures that appear in the annual audited consolidated financial statements have not been produced in the unaudited condensed interim consolidated financial statements and, in this regard only, these unaudited condensed interim consolidated financial statements do not conform in all respects to the requirements of International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements as at December 31, 2023.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2024.

These unaudited condensed interim consolidated 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.

Principles of Consolidation

These unaudited condensed interim consolidated financial statements include the Company and its wholly owned subsidiaries, Property Interlink, LLC, MFI Credit Solutions, LLC, Reliable Valuation Service, LLC, Starrex Holdings, Inc, Starrex Insurance Holdings, Inc., Starrex Technical Services, LLC and All American Title Company, LLC. All subsidiaries at March 31, 2024 are 100% owned, directly or indirectly, and controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses, have been eliminated upon consolidation.

2. Significant Accounting Policies - continued

Functional Currency

Starrex International Ltd., the parent company, and its subsidiaries have a functional currency of the U.S. dollar ("USD"). This reflects the fact that the majority of the Company's business is influenced by an economic environment denominated in U.S. currency; as well, the Company earns revenues in USD. The presentation currency of these unaudited condensed interim consolidated financial statements is USD.

Transactions denominated in foreign currencies (other than the functional currency) are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences, other than those capitalized to qualifying assets or recorded in equity in hedging transactions, are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

Judgments and Estimates

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these unaudited condensed interim consolidated financial statements are discussed below:

a) Goodwill and other indefinite life intangible assets are tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade name, customer relationships, and non-compete agreements) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in profit or loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates, differences in these estimates and assumptions could have a significant impact on the unaudited condensed interim consolidated financial statements.

b) Significant judgment is involved in the determination of useful life for the computation of depreciation of property and equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

c) The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

d) The determination of the Company's lease liability and right-of-use asset depends on certain assumptions which includes the selection of the discount rate. The discount rate is set by referencing to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's unaudited condensed interim consolidated financial statements.

e) Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

f) Applying the business acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

g) Operating segments are components of the Company that engage in business activities which generate revenues and incur expenses (including intercompany revenues and expenses related to transactions conducted with other components of the Company). The operations of an operating segment are distinct, and the operating results are regularly reviewed by management for the purposes of resource allocation decisions and assessing its performance. Key measures used by management to assess performance and make resource allocation decisions include revenues, gross profit and net income (loss). The Company's operating results are currently in two reportable segments and in one geographic market – the United States.

h) Stock options are initially valued at fair value, based on the application of the Black Scholes option pricing model. This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the volatility of the share price, expected dividend yield, expected term of the warrant or stock option and expected risk-free interest rate.

2. Significant Accounting Policies - continued

Changes in Accounting Policies

The Company adopted the following new or amended pronouncements as at January 1, 2024.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. These amendments had no material impact on the condensed interim consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. These amendments had no material impact on the condensed interim consolidated financial statements.

Standards Issued or Amended Which Will be Adopted in Future Periods

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Financial Instruments and Financial Risk Management

The Company's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, notes payable and lease liabilities. As at March 31, 2024, the carrying values and fair values of the Company's financial instruments are approximately the same.

The Company is exposed, in varying degrees, to the following financial instrument related risks:

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk.

The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company generally does not require collateral for sales on credit. The Company closely monitors extensions of credit and has not experienced significant credit losses in

3. Financial Instruments and Financial Risk Management - continued

the past. At March 31, 2024, and December 31, 2023, the Company had a $nil balance in the reserves for credit losses and had no material past due trade receivables.

The Company applies the IFRS 9 simplified approach to measuring expected losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the year end. The historical loss rates, if any, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. All trade receivables are less than sixty days past due. On that basis, the Company has not provided for expected credit losses.

Concentration of Credit Risk

As at March 31, 2024, one customer accounted for 7% of the Company's total revenue (March 31, 2023 – 70%). All of the Company's revenue for the three months ended March 31, 2024, and 2023, was in the United States.

There can be no assurance that all or any of the Company's customers will continue to be customers of the Company. The loss of any such customers may have a materially negative impact on the company's business conditions and financial results.

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 working capital to meet its liquidity requirements. At March 31, 2024, the Company had cash of $1,743,299 (December 31, 2023 - $2,343,819) available to settle current liabilities of $8,427,140 (December 31, 2023 - $8,431,226).

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The Company accrues interest expense on the convertible note payable associated with the acquisition of All American Title Company, LLC. The fair value of future cash flows of our financial statements will fluctuate due to changes in market interest rates. The Company's sensitivity to a 1% decrease or increase in market rates of interest would have an immaterial effect on the Company's interest expense.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2024, the Company held immaterial amounts of cash and accounts receivable in Canadian Dollars ("CAD") currency and considers foreign currency risk to be low.

The table below summaries the balances held in CAD, presented in USD.

	March 31, 2024	**December 31, 2023**
Accounts receivable	**-**	59,206
Accounts payable and accrued liabilities	**(5,671)**	(174,472)
Total	**(5,671)**	(115,266)

4. Acquisition of All American Title Co., Inc.

Effective March 17, 2023, the Company entered into a Purchase and Sale Agreement to purchase all of the member interests of All American Title Company, LLC (which was created upon amalgamation of All American Title Co., Inc., AmeriFirst Title, LLC, AAT Holdings, LLC, Ameripine, LLC and Amcap Title, LLC) ("AAT") for an aggregate amount of $8,746,640 comprised of:

(i) a cash payment of $1,800,000;

(ii) secured non-interest bearing promissory notes in the aggregate amount of $4,500,000 due and payable 12 months following the closing date. These notes are secured pursuant to a Pledge and Security Agreement whereby the membership interests represented by the amount of the note re pledged as security until the particular promissory note is paid in full (See note 16). The proportion of membership interests that were represented by the cash amount have not been pledged as security for these notes. In addition, the indebtedness has been guaranteed by Starrex;

(i) secured convertible notes in the amount of $2,700,000 (See Note 16) bearing interest at 6% per annum and due 36 months from the closing date conditional upon earn out provisions based on a target EBITDA for the entities acquired. To the extent annual EBITDA targets are met, the holders will be entitled to receive a pro-rated payment. If the annual targets are not met the holders are not entitled to receive a prepayment. At the end of the three year term, the principal amount of the notes outstanding will be adjusted downwards by an amendment to the notes or by cancellation depending on the average performance achieved by the entities over the term of the notes. Interest is payable in cash semi-annually in arrears unless such interest amount is converted at the option of the holder and payable in common shares of Starrex based on the closing price of Starrex shares on the trading day prior to the conversion date. In addition, the holder of the notes may elect to convert all or any part of the principal amount into Starrex shares at a price of $2.09 (See Note 16). These notes are secured pursuant to a Pledge and Security Agreement whereby the membership interests represented by the amount of the note are pledged as security until the particular promissory note is pain in full. The proportion of membership interests that were represented by the cash amount have not been pledged as security for these notes. In addition, the indebtedness has been guaranteed by Starrex.;

(ii) Starrex also provided $1,000,000 of working capital as of the closing date of the transaction.

AAT was acquired due to its accretive value and the alignment of corporate vision in the mortgage and real estate space in which Starrex operates. Since 2014, Starrex has operated consumer credit reporting agencies, staff appraisal and appraisal management subsidiaries, all of which are in the same market space as mortgage title insurance.

The following table sets forth the final allocation of the purchase price to assets acquired, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired at the acquisition date:

(Unaudited) (expressed in United States dollars)

4. Acquisition of All American Title Co., Inc. - continued

Consideration Paid	
Cash	$ 1,800,000
Secured non-interest bearing promissory notes	4,196,626
Secured convertible notes	2,750,014
Total	$ 8,746,640
Fair value of identifiable assets and liabilities acquired:	
Accounts receivable	4,000
Property and equipment	50,575
Other assets	32,391
Customer relationships	3,992,000
Non-competition agreements	1,043,000
Accounts payable	(44,934)
Right-of-use Assets	1,092,435
Lease liabilities	(1,092,435)
Goodwill	3,669,608
	$ 8,746,640

5. Property, Plant and Equipment

	Furniture & Equipment	Leasehold Improvements	Total
Cost			
As at December 31, 2023	$ 421,241	$ 138,197	$ 559,438
Additions	-	14,824	14,824
As at March 31, 2024	**$ 421,241**	**$ 153,021**	**$ 574,262**
Accumulated depreciation			
As at December 31, 2023	$ 196,317	$ 93,033	$ 289,350
Expense	10,985	186	11,171
As at March 31, 2024	**$ 207,302**	**$ 93,219**	**$ 300,521**
Net book value			
As at December 31, 2023	$ 224,924	$ 45,164	$ 270,088
As at March 31, 2024	**$ 213,939**	**$ 59,802**	**$ 273,741**

(Unaudited) (expressed in United States dollars)

6. Intangible Assets

		Non-Compete Agreements		Customer Relationships		Credit Bureau Repository Codes		Total
Cost								
As at December 31, 2023	**$**	**1,311,259**	**$**	**4,688,608**	**$**	**564,453**	**$**	**6,564,320**
Disposals (Note 17)		(167,903)		(342,827)		(564,453)		(1,075,183)
As at March 31, 2024	$	**1,143,356**	**$**	**4,345,781**	**$**	**-**	**$**	**5,489,137**
Accumulated depreciation								
As at December 31, 2023	$	463,822	$	996,008	$	-	$	1,459,830
Disposals (Note 17)		(167,903)		(342,827)		-		(510,730)
Expense		65,186		99,801		-		164,987
As at March 31, 2024	**$**	**361,105**	**$**	**752,982**	**$**	**-**	**$**	**1,114,087**
Net Book Value								
As at December 31, 2023	$	847,437	$	3,692,600	$	564,453	$	5,104,490
As at March 31, 2024	$	**782,251**	**$**	**3,592,799**	**$**	**-**	**$**	**4,375,050**

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(Unaudited) (expressed in United States dollars)

7. Leases

The Company has elected not to recognize right-of-use assets that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

In June 2021, the Company entered into an office lease agreement, with monthly lease payments of $8,789 until November 2024. The Company applied a discount rate of 6% in the calculation of lease liabilities. The Company did not enter into any new leases which would require a recognition of right-of-use assets and lease liabilities during the period ended March 31, 2024.

On March 17, 2023, the Company acquired several lease agreements as part of its acquisition of All American Title Company, LLC, with monthly lease payments between $2,187 and $10,105. The Company applied a discount rate of 7% in the calculation of lease liabilities.

Right-of-use assets

Right-of-use asset		**Total**
Balance as at December 31, 2023 and March 31, 2024	$	**1,403,136**
Accumulated depreciation		
As at December 31, 2023	$	(379,134)
Expense		(44,319)
Balance as at March 31, 2024	**$**	**(423,453)**
Net book value		
As at December 31, 2023	$	1,024,001
As at March 31, 2024	$	979,683

Lease Liabilities

Lease Liabilities		**Total**
As at December 31, 2023	$	1,048,605
Principal lease payments		(40,413)
Balance as at March 31, 2024	$	**1,008,192**
Current portion of lease liabilities	$	217,352
Long-term portion of lease liabilities	$	790,840

Amounts recognized in profit or loss as at March 31, 2024		**Total**
Interest on lease liabilities	$	16,666

(Unaudited) (expressed in United States dollars)

8. Related Party Transactions

Amcap Mortgage Ltd.

AmCap Mortgage Ltd., a related customer (by common Director) accounted for $nil of revenue to the Company as at March 31, 2024. Discontinued operations accounted for $18,014 of the revenue related to AmCap Mortgage Ltd. as at March 31, 2024 (March 31, 2023 - $612,554). As at March 31, 2024, $nil (December 31, 2023 – $169,043) is included in accounts receivable on the condensed interim consolidated statements of financial position.

Key Management Compensation

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:

The Company incurred $174,146 in management fees and associated payroll for the three months ended March 31, 2024 (March 31, 2023 - $102,630) to key members of management. These fees are included in payroll, management and corporate services. At March 31, 2024 and 2023, all amounts had been paid.

9. Goodwill

The change in net carrying amount of goodwill for the years ended December 31, 2023 and March 31, 2024 is as follows:

		All American Title Company, LLC
Balance as at December 31, 2023 and March 31, 2024	$	3,669.608

10. Note Receivable

The Company entered into four agreements effective October 17, 2022, to provide operating capital through a revolving promissory note to title insurance companies. The promissory notes carried a 6% per annum interest rate with a maturity date of June 30, 2023, and are in default. For the three months ended March 31, 2024, the Company recorded interest income of $nil (March 31, 2023 - $25,140).

As at December 31, 2023, the loans receivable were classified Stage 3 based on the default date of June 23, 2023 and the amount of the loans have been fully impaired. While the notes were secured with the underlying assets of the entities the companies are insolvent and have ceased of operations. The Company filed petitions for relief against the title insurance companies. The litigation is ongoing with recovery amounts uncertain.

The following table reconciles the carrying value of the loans receivable:

		December 31, 2023		December 31, 2022
Loans	**$**	**4,927,936**	$	1,716,889
Allowance for expected credit losses		**(4,9237,936)**		-
Total	**$**	**-**	$	1,716,889

(Unaudited) (expressed in United States dollars)

10. Note Receivable - continued

The Company entered into a loan agreement effective February 1, 2024, with a title insurance company in the amount of $125,000, of which $66,526 has been advanced. The note carries an interest rate of 6% per annum, with interest payments due July 1, 2024, October 1, 2024, and January 1, 2025. The maturity date of the note is February 1, 2025.

11. Revenue from Contracts with Customers

The Company derives revenue from the delivery of consumer credit reports and ancillary credit reporting activity along with premiums from title insurance policies. The following revenues were recognized by All American Title Co., Inc. and Starrex Technical Services, LLC for the period ended March 31, 2024 and 2023:

	For the three months ended March 31	
	2024	**2023**
Title Premium	$ 1,231,963	$ 240,365
Consulting Income	10,000	146,992
Total	$ 1,241,963	$ 387,357

11. Share Capital

Authorized

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

Issued	**Number of Common Shares**	**Amount $**
Balance, December 31, 2023 & March 31, 2024	16,546,113	8,575,933

On March 17, 2023, 250,000 common shares valued at $300,000 ($410,000 CAD), based on the quoted market price of the Company's common shares at the time of issuance, were issued in connection with the acquisition of All American Title Co., Inc (Note 4).

12. Share-Based Payments

The Company has a 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 totaling up to 10% of the common shares outstanding from time to time are issuable. The exercise price, vesting period and expiration period are fixed at the time of grant at the discretion of the Board of Directors.

(Unaudited) (expressed in United States dollars)

	Number of options	Weighted average exercise price $	Grant Date Fair Value
Outstanding and exercisable, December 31, 2023 and March 31, 2024	789,500	0.81	0.77

	Number of Options Outstanding	Number of Options Exercisable		Exercise Price	Expiry Date	Weighted Average Remaining Life
Granted May 8, 2019	50,000[4]	50,000	$	0.59[5]	May 8, 2024	0.10
Granted November 25, 2019	25,000[2]	25,000	$	0.56[6]	November 23, 2024	0.65
Granted, January 8, 2020	450,000[1]	450,000	$	0.51[7]	January 7, 2025	0.77
Granted, March 17, 2023	264,500[2]	-	$	1.20[9]	March 17, 2028	3.96
Total	**789,500**	**525,000**				**1.80**

[1] An Executive Officer or Directors of the Company holds these options. They are fully vested.
[2] Key employees hold these options. They are fully vested.
[4] A consultant of the Company holds these options. They are fully vested.
[5] The exercise price is $0.75 CAD.
[6] The exercise price is $0.71 CAD.
[7] The exercise price is $0.65 CAD.
[9] The exercise price is $1.64 CAD.

The fair value at grant date is determined by using the Black-Scholes model which takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Effective March 17, 2023, the Company granted 300,000 options in connection with the acquisition of All American Title Co., Inc. to purchase common shares of the Corporation with an exercise price of $1.20 (CAD$1.64). The options expire March 17, 2028, and vest over three years.

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

	2023
Share price ($)	**1.20**
Expected dividend yield	**Nil**
Risk free interest rate (%)	**2.89**
Expected stock volatility (%)	**118**
Expected life (years)	**3**

13. Net Loss (loss) per Share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding as at March 31, 2024, of 16,546,113 (December 31, 2023 – 16,494,058).

(Unaudited) (expressed in United States dollars)

14. Notes Payable

On November 16, 2018, the Company entered into a promissory note with Agents National Title Insurance Company to be utilized as a revolving line of credit in support of acquisition activity. The note is collateralized by the assets of the Company and carries an interest rate equal to the prime rate less 0.50%, which is paid monthly. At the option of the lender, the loan amount shall be convertible into common shares of the Company, with the conversion price based on the quoted market price at the time of conversion. As the conversion price is not fixed, the entire convertible instrument has been classified as a liability. As at March 31, 2024, the Company had an outstanding balance of $nil (December 31, 2023 - $nil). The lender exercised its option to terminate the credit facility effective October 17, 2023. The lender filed a statement of claim seeking a summary judgment for the amounts outstanding. The Company settled the matter for a total consideration of $2,200,000 paid to the lender which resolved all claims, losses and disputes related to and arising from the credit facility and recognized a debt forgiveness of $2,650,000.

On March 17, 2023, the Company entered into a convertible promissory note in the amount of $2,700,000 in connection with the acquisition of All American Title Co., Inc. The note bears an interest rate of 6% per annum, accruing monthly and payable semi-annually commencing October 1, 2023. Payment of this convertible note is conditional upon earn out provisions based on a target performance for the entities acquired. To the extent annual performance targets are met, the holders will be entitled to receive a pro-rated payment. If the annual targets are not met the holders are not entitled to receive a prepayment. At the end of the three year term, the principal amount of the notes outstanding will be adjusted downwards by an amendment to the notes or by cancellation depending on the average performance achieved by the entities over the term of the notes. Interest is payable in cash semi-annually in arrears unless such interest amount is converted at the option of the holder and payable in common shares of Starrex based on the closing price of Starrex shares on the trading day prior to the conversion date. In addition, the holder of the notes may elect to convert all or any part of the principal amount into Starrex shares at a price of $2.09. These notes are secured pursuant to a pledge and security agreement whereby the membership interests represented by the amount of the note are pledged as security until the particular promissory note is pain in full. The proportion of membership interests that were represented by the cash amount have not been pledged as security for these notes. In addition, the indebtedness has been guaranteed by Starrex. For the period-ended March 31, 2024, the Company incurred $13,500 in interest expense associated with the notes (March 31, 2023 - $nil).

The liability portion of this financial instrument was elected to be measured using FVTPL. On initial recognition, the Company valued the entire financial instrument at a fair value of $2,750,014. The financial liability was initially recognized at a value of $1,904,099 and the residual amount of $845,915 was allocated to the conversion feature which has been recorded as contributed surplus. The following assumptions were used to calculate the fair value of the convertible note as at March 17, 2023:

	2023
Share price ($USD)	**1.20**
Expected dividend yield	**Nil**
Risk free interest rate (%)	**3.86**
Expected stock volatility (%)	**96.64 – 122.38**
Expected life (years)	**3**
Weighted Average Cost of Capital	**15.35%**
Market Interest Rate	**7%**

14. Notes Payable - continued

The Company also entered into a secured promissory note in the amount of $4,500,000 effective March 17, 2023, in connection with the acquisition of All American Title Co, Inc. The note is non-interest bearing and carried a maturity date of March 17, 2024.

The loan is valued at the present value of anticipated future repayments of the funds at each reporting date using a discount rate of 7%. The Company incurred $nil accretion expense for the period ended March 31, 2024 (December 31, 2022 - $225,259l). As at December 31, 2023, the Company had an outstanding balance of $4,500,000 (December 31, 2023 - $4,421,884).

Both of the notes were in default as at March 17, 2024. The Company is currently in negotiations with the Sellers to try and reach an agreement that will resolve the outstanding amounts due.

15. Capital Disclosures

The Company's objectives when managing capital are to maintain its ability to continue as a going concern 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 equity as capital, which totals $2,435,981 as at March 31, 2024, (December 31, 2023 - $3,781,581).

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 does not have externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2024 and the year ended December 31, 2023.

16. Segmented Disclosures

The Company measures each reportable operating segment's performance based on revenue and segment operating income, which is the profit metric utilized by the Company's management, for assessing the performance of operating segments. As at March 31, 2024, the Company has one reportable segment. All of the Company's assets and equipment are located in US.

The internal reporting provided to the management of the Company's assets, liabilities, and performance is prepared consistently with the measurement and recognition principles of IFRS. The intercompany sales and advances have been eliminated in the consolidated financial statements. The Company does not report total assets or total liabilities based on its reportable operating segments.

The two reportable operating segments are as follows:

ii) All American Title Co., Inc. provides services required to transfer title to property in a real estate transaction and includes services such as searching, abstracting, examining, closing and insuring the condition of the title to the property.

17. Discontinued operations

Starrex International Ltd. reached an agreement to divest substantially all the related assets of MFI Credit Solutions, LLC, a credit reporting agency, effective March 21, 2024. These amounts have been classified as discontinued operations.

As a result, the operating results MFI Credit Solutions, LLC for the period ended March 31, 2024, have been classified as net income (loss) from discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

(Unaudited) (expressed in United States dollars)

17. Discontinued operations - continued

The purchase price paid by the purchaser to the Company for MFI Credit Solutions, LLC was comprised of a cash payment in the amount of $500,000, which resulted in a loss on sale of the subsidiary in the amount of $64,453. Legal fees incurred associated with the sale were $10,678.

To conform with the current period classification of the discontinued operations, prior year results have been reclassified to discontinued operations.

Net income from discontinued operations and gain on sale of the divestitures is as follows:

		2024		2023
Revenue				
Contracts with customers	$	253,100	$	846,835
Expenses				
Transaction costs		210,469		624,088
Payroll expenses		75,838		88,944
General and administrative		54,771		54,437
Professional fees		1,950		1,950
Depreciation and amortization		683		13,684
Franchise tax expense		3,373		-
Total expenses	$	347,084	$	783,103
Income (loss) from discontinued operations before taxes		(93,984)		63,732
Loss on disposition of assets, net of tax		(64,454)		-
Net income (loss) from discontinued operations	$	(158,438)	$	63,732

18. Commitment and Contingencies

Legal claims

The Company is party to various claims and proceedings arising in the normal course of business. In addition, the Company is involved in litigation to seek recovery under security obtained for notes receivable (see Note 10). Management does not expect these matters to have any adverse effects on the Company's results of operations or financial position.