

# **DARK STAR MINERALS INC.**

## **Unaudited Condensed Interim Consolidated Financial Statements**

**For the three and six months ended June 30, 2023 and 2022**

(Expressed in Canadian Dollars)

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

**Dark Star Minerals Inc.**  
**Condensed Interim Consolidated Statement of Financial Position (unaudited)**  
**(Expressed in Canadian Dollars)**

As at,	June 30, 2023	December 31, 2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 281,176	\$ 579,333
Deposit on exploration program	90,000	-
<b>Total Assets</b>	<b>\$ 371,176</b>	<b>\$ 579,333</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 18,388	\$ 114,498
	18,388	114,498
<b>Shareholders' Equity</b>		
Share capital (Note 4)	1,193,072	1,176,894
Special warrants (Note 4(c))	-	16,178
Warrants (Note 4(e))	13,063	13,063
Contributed surplus (Note 4(d))	91,445	91,445
Deficit	(944,792)	(832,745)
<b>Total Shareholders' Equity</b>	<b>352,788</b>	<b>464,835</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 371,176</b>	<b>\$ 579,333</b>

**Nature of and continuance of operations (Note 1)**

Approved on behalf of the Board:

"Marc Branson"  
 Director

"Douglas H. Unwin"  
 Director

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

**Dark Star Minerals Inc.**  
**Condensed Interim Consolidated Statement of Loss and Comprehensive Loss (unaudited)**  
**(Expressed in Canadian Dollars)**

(expressed in Canadian dollars)	Three months June 30,		Six months June 30,	
	2023	2022	2023	2022
<b>Expenses</b>				
General and administrative (Note 9)	\$ 50,643	\$ 41,203	\$ 112,047	\$ 92,401
Share based payments	-	91,445	-	91,445
Exploration and evaluation asset expenditures	-	13,063	-	13,063
<b>Net Loss and Comprehensive Loss for the period</b>	<b>\$(50,643)</b>	<b>\$(145,711)</b>	<b>\$(112,047)</b>	<b>\$(196,909)</b>
<b>Basic and Fully Diluted Loss Per Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common</b>	<b>24,718,100</b>	<b>24,162,100</b>	<b>24,504,254</b>	<b>21,471,315</b>

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

**Dark Star Minerals Inc.**  
**Condensed Interim Consolidated Statement of Changes in Equity (unaudited)**  
**(Expressed in Canadian Dollars)**

	Share Capital		Special Warrants	Warrants	Contributed surplus	Shares to be Issued	Deficit	Shareholders' Equity
	Number	Amount						
<b>Balance, December 31, 2021</b>	<b>18,810,100</b>	<b>\$ 916,572</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ (473,138)</b>	<b>\$ 468,434</b>
Shares issued on private placement (Note 4)	5,352,000	267,000	-	-	-	(25,000)	-	242,600
Share issue costs (Note 4)	-	(7,278)	-	-	-	-	-	(7,278)
Issue of special warrants	-	-	27,800	-	-	-	-	27,800
Share issue costs	-	-	(11,622)	-	-	-	-	(11,622)
Warrants issued pursuant to amended options agreement	-	-	-	13,063	-	-	-	13,063
Share based payments	-	-	-	-	91,445	-	-	91,445
Net loss for the period	-	-	-	-	-	-	(196,909)	(196,909)
<b>Balance, June 30, 2022</b>	<b>24,162,100</b>	<b>\$ 1,176,894</b>	<b>\$ 16,178</b>	<b>\$ 13,063</b>	<b>\$ 91,445</b>	<b>\$ -</b>	<b>\$ (670,047)</b>	<b>\$ 627,533</b>
<b>Balance, December 31, 2022</b>	<b>24,162,100</b>	<b>\$ 1,176,894</b>	<b>\$ 16,178</b>	<b>\$ 13,063</b>	<b>\$ 91,445</b>	<b>\$ -</b>	<b>\$ (832,745)</b>	<b>\$ 464,835</b>
Shares issued on conversion of special warrants	556,000	16,178	(16,178)	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(112,047)	(112,047)
<b>Balance, June 30, 2023</b>	<b>24,718,100</b>	<b>\$ 1,193,072</b>	<b>\$ -</b>	<b>\$ 13,063</b>	<b>\$ 91,445</b>	<b>\$ -</b>	<b>\$ (994,792)</b>	<b>\$ 352,788</b>

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

**Dark Star Minerals Inc.**  
**Condensed Interim Consolidated Statement of Cash Flows (unaudited)**  
**(Expressed in Canadian Dollars)**

	<b>Six months ended June 30, 2023</b>	<b>Six months ended June 30, 2022</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net loss for period	\$ (112,047)	\$ (196,909)
Share based payments	-	91,445
Warrants issued as per amended option agreement	-	13,063
Changes in working capital balances:		
Deposit on exploration program	(90,000)	-
Prepaid expenses	-	(1,780)
Accounts payable and accrued liabilities	(96,110)	22,998
<b>Cash Used in Operating Activities</b>	<b>(298,157)</b>	<b>(71,183)</b>
<b>Financing Activities</b>		
Proceeds from issue of common shares	-	242,600
Proceeds from issue of special warrants	-	27,800
Share issue costs	-	(18,900)
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>251,500</b>
<b>Change in cash</b>	<b>(298,157)</b>	<b>180,317</b>
<b>Cash, Beginning</b>	<b>579,333</b>	<b>502,745</b>
<b>Cash, Ending</b>	<b>\$ 281,176</b>	<b>\$ 683,062</b>

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

## **Dark Star Minerals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Dark Star Minerals Inc. (the “Company”) was incorporated under the *Business Corporations Act* of British Columbia on August 12, 2021. The head office of the Company and location of records is located at 800-885 West Georgia Street, Vancouver BC, V6C 3H1, Canada.

On February 8, 2023 the Company received the final receipt from the British Columbia Securities Commission for the Long Form Prospectus filed by the Company on February 6, 2023, for the purpose of the Company to meet one of the eligibility requirements for the listing of the Company’s common shares on the Canadian Securities Exchange (“CSE”) by becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia. Upon the final receipt of this Prospectus by the BCSC, the Company became a reporting issuer in British Columbia. On March 6, 2022 the CSE approved the listing of the Company and the common shares were posted for trading on March 7, 2023 under the symbol “BATT”.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2023, the Company has not generated any revenue since inception and has a deficit \$944,792 (December 31, 2022 - \$832,745). The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary should the Company is unable to continue as a going concern. Such adjustments could be material.

#### **2. BASIS OF PRESENTATION**

##### **Approval of the Financial Statements**

The condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2023 were reviewed by the Board of Directors and approved and authorized for use on July 27, 2023 by the Board of Directors of the Company.

**Dark Star Minerals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
**For the three and six months ended June 30, 2023 and 2022**  
**(Expressed in Canadian Dollars)**

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**2. BASIS OF PRESENTATION (continued)**

*(a) Statement of Compliance to International Financial Reporting Standards*

These condensed interim consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2022.

*(b) Basis of Preparation*

The financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

*(c) Basis of consolidation*

These consolidation financial statements of the Company include the accounts of the Company and its wholly owned subsidiary, Off-Piste Opportunities (II) Inc., which was incorporated under the laws of the province of Ontario (Canada) on March 4, 2021.

*(d) Use of Estimates, Judgements and Assumptions*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

(i) Deferred income taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income.

(ii) Shares issued for non- cash consideration

The Company is required to recognize these transactions at fair value which requires judgment in selecting valuation technique and other factors.

## **Dark Star Minerals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

**For the three and six months ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

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## **2. BASIS OF PRESENTATION (continued)**

### Significant Estimates

#### (i) Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

#### (ii) Going concern

Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's December 31, 2022 annual financial statements, except for those noted below and the adoption of new standards and interpretations as of January 1, 2023.

### Accounting standards issued but not yet effective

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **4. SHARE CAPITAL**

#### (a) Authorized

The Company has authorized an unlimited number of common shares without par value.

#### (b) Issued and outstanding

As at June 30, 2023, the Company had outstanding 24,718,100 common shares.

On March 2, 2022, the Company completed a private placement of 5,352,000 common shares at a price of \$0.05 per common share for gross proceeds of \$267,600. Share issue costs of \$7,278 were incurred for finders' fees. \$25,000 of the proceeds had been received in 2021 and was recorded as shares to be issued.



## Dark Star Minerals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements (unaudited) For the three and six months ended June 30, 2023 and 2022 (Expressed in Canadian Dollars)

#### 4. SHARE CAPITAL (continued)

##### (c) Special Warrants

On June 9, 2022, the Company closed a private placement of special warrants (“Special Warrants”). 356,000 Special Warrants were issued at a price of \$0.05 per special warrant for proceeds of \$17,800. The Special Warrants automatically convert into common shares on a one-to-one basis (i) at any time, at the discretion of the Company or (ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the special warrants or (iii) on that date that is 18 months from the date of issuance of the Special Warrants. The Company paid \$890 in finders fees and incurred other issue costs of \$731. The Company also issued 200,000 compensation Special Warrants with the same terms as the Special Warrants. Upon receipt of the final prospectus (note 1), 356,000 common shares were issued on conversion of the 356,000 Special Warrants and 200,000 common shares issued on conversion of the 200,000 Compensation Special Warrants.

##### (d) Stock options

The Board adopted a stock option plan on June 21, 2022 (the “Plan”). The purpose of the Plan is to attract and retain directors, officers, employees and consultants of the Company. The Plan provides that the number of common shares available for issuance shall not exceed 10% of the total number of issued common shares (calculated on a non-diluted basis).

On June 22, 2022, the Company issued 3,500,000 to directors and officers of the Company. The options are exercisable for 2 years from the date of grant, are exercisable at \$0.05 and vested on the date of grant. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 96.88%; expected dividend yield of 0%; risk-free interest rate of 3.25%; and expected life of 2 years. The options were valued at \$91,445.

As at June 30, 2023, the following options were outstanding:

<b>Number of options outstanding</b>	<b>Exercise Price</b>	<b>Expiry date</b>	<b>Remaining life (Years)</b>
3,500,000	\$ 0.05	22-Jun-24	0.98

##### (e) Warrants

On July 8, 2022, the Company entered into an amending agreement to the option agreement (see note 6), pursuant to which the Company agreed to issue 500,000 warrants in consideration for the removal of the net smelter returns royalty as previously contemplated by the option agreement. Each warrant is exercisable into 1 common share at an exercise price equal to the lesser of (i) the price at which the Company sells any share to the public in its IPO and (ii) the last price at which the Company sells any common shares in a bona fide private placement financing if the Company does not proceed with the IPO. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 96.88% ; expected dividend yield of 0%; risk-free interest rate of 3.25%; and expected life of 2 years. The warrants were valued at \$13,063.

## Dark Star Minerals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements (unaudited) For the three and six months ended June 30, 2023 and 2022 (Expressed in Canadian Dollars)

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#### 4. SHARE CAPITAL (continued)

As at June 30, 2023, the following warrants were outstanding:

<b>Number of warrants outstanding</b>	<b>Estimated Exercise Price</b>	<b>Expiry date</b>	<b>Remaining life (Years)</b>
500,000	\$ 0.05	8-July-24	1.02

#### 5. EXPLORATION AND EVALUATION EXPENDITURES

Through its wholly owned subsidiary Off-Piste, the Company is party to an option agreement dated July 26, 2021 (and amended option agreement dated July 8, 2022) between Off-Piste and Contigo Resources, Ltd. ("Contigo"), pursuant to which it has the right to earn a 100% undivided interest in and to 14 mineral claims commonly known as the Logan REE Property located in the Province of Québec, Canada. The 2.0% NSR to be granted by the Company to Contigo on the exercise of the Option with respect to production of all minerals from the Logan REE Property and payable by the Target following commencement of commercial production on the Logan REE Property.

No exploration expenses were incurred on the project during the three and six months ended June 30, 2023 and 2022.

#### 6. CAPITAL MANAGEMENT OBJECTIVE AND POLICIES

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity. The Company is not subject to any external capital restrictions.

#### 7. FINANCIAL INSTRUMENTS

##### *Fair Values*

At June 30, 2023, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates its carrying value due to the relatively short-term maturity of the instrument.

##### *Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

## Dark Star Minerals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements (unaudited) For the three and six months ended June 30, 2023 and 2022 (Expressed in Canadian Dollars)

#### 7. FINANCIAL INSTRUMENTS (continued)

##### *Foreign Exchange Risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

##### *Interest Rate Risk*

The Company is not exposed to any significant interest rate risk.

##### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. The \$18,388 (December 31, 2022 - \$114,498) of accounts payable and accrued liabilities are due within one year.

#### 8. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2023, the Company was charged \$18,000 (plus GST) (2022 - \$18,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at June 30, 2023, \$9,450 (December 31, 2022 - \$34,650) was owed, and included in accounts payable and accrued liabilities.

During the six months ended June 30, 2023, the Company was charged \$34,000 (plus GST) (2022 - \$nil) by Capwest Investments, a company controlled by Marc Branson, the Chief Executive Officer of the Company.

#### 9. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Legal and audit	\$ 20,423	\$ 17,735	\$ 31,769	\$ 61,301
Regulatory	2,363	-	12,863	-
Management fees	27,050	9,450	56,700	15,750
Office and general	807	14,018	10,715	15,350
	<b>\$ 50,643</b>	<b>\$ 41,203</b>	<b>\$ 112,047</b>	<b>\$ 92,401</b>

#### 10. SUBSEQUENT EVENT

The Company closed the acquisition of Hungersite Minerals Inc. ("Hungersite"), a private arm's length Ontario corporation, pursuant to the terms of a share exchange among the Company, Hungersite and the shareholders of Hungersite in exchange for cash consideration of \$20,000 and 4,800,000 common in the capital of the Company (the "Transaction"). Hungersite, is the recorded and beneficial holder of 24 unpatented mining claims (the "Property") which are filed with the Quebec Minister of Natural Resources and Forests. The Property is situated within the region of d'Eeyou Istchee Baie-James in the Province of Québec, with certain of the claims adjacent to the Company's flagship Logan REE property located in northern Québec, Canada.